HIGH LINER FOODS

ANNUAL INFORMATION FORM

For the fifty-two weeks ended December 28, 2019

(All amounts are in United States dollars unless otherwise stated)

February 26, 2020

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Unless the context otherwise requires, references in this Annual Information Form ("AIF") to the "Company", "High Liner", or "High Liner Foods" include High Liner Foods Incorporated and its subsidiaries. References to "Fiscal 2019" is to the fifty-two weeks ended December 28, 2019, "Fiscal 2018" is to the fifty-two weeks ended December 29, 2018 and "Fiscal 2017" is to the fifty-two weeks ended December 30, 2017. All amounts are in United States dollars, unless otherwise noted.

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

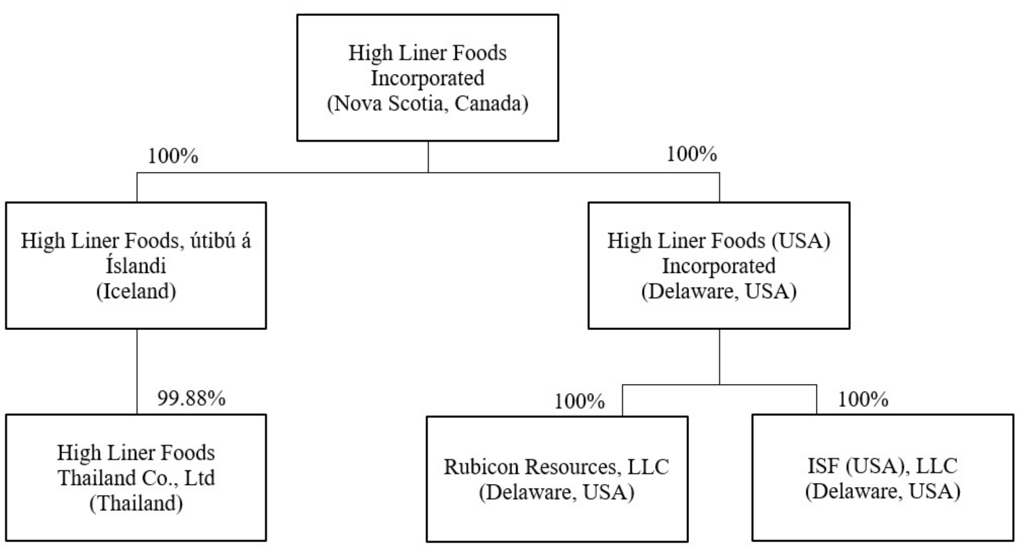
High Liner Foods Incorporated is a Nova Scotia ("NS") company amalgamated under the *Companies Act* of Nova Scotia. Its registered office is at 100 Battery Point, P.O. Box 910, Lunenburg, NS, Canada, B0J 2C0.

The Company's 120-year history began in 1899 with the founding of W.C. Smith & Company Limited, a ship chandlery and salt fish operation located in Lunenburg, NS. In 1926, the same group of shareholders diversified into fresh fish and cold storage and formed Lunenburg Sea Products Limited and conceived the ***High Liner*** brand. In 1938, these two companies merged, and in 1945, the merged companies, along with Maritime National Fish Company Limited of Halifax and other related companies, were brought together under the ownership of National Sea Products Limited. The present company was formed in 1967 when these related companies were amalgamated and on December 31, 1998, the Company's name was changed to High Liner Foods Incorporated.

1.2 Inter-Corporate Relationships

The Company's business is carried on principally through the parent company, High Liner Foods Incorporated (registered head office in Lunenburg, NS) and its wholly owned operating subsidiaries, High Liner Foods (USA), Incorporated (registered head office in Portsmouth, New Hampshire ("NH")) and High Liner Foods, útibú á Íslandi (Iceland).

The following organizational chart illustrates the corporate structure of the Company and its significant subsidiaries, and their respective jurisdictions of incorporation.



High Liner Foods (USA), Incorporated's wholly owned subsidiaries include: ISF (USA), LLC; and Rubicon Resources, LLC. High Liner Foods, útibú á Íslandi's has a subsidiary in Thailand, through which product is procured for High Liner Foods.

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Company Overview

High Liner Foods through its predecessor companies, has been in business since 1899 and has been a Canadian publicly-traded company since 1967, trading under the symbol HLF on the Toronto Stock Exchange ("TSX"). The Company operates in the North American packaged foods industry with an expertise in frozen seafood. High Liner is a leading North American processor and marketer of value-added (i.e. processed) frozen seafood, producing a wide range of products from breaded and battered items to seafood entrées. The Company produces and markets seafood products for the retail, foodservice and club store channels. The foodservice channel consists of sales of seafood that are usually eaten outside the home and includes sales through distributors to restaurant and institutional customers.

High Liner owns strong brands, but is also an important supplier of private-label frozen seafood products for many North American food retailers, club stores and foodservice distributors. In addition, the Company is a major supplier of commodity products in the North American market. Retail branded products are sold throughout the U.S., and Canada under the ***High Liner***, ***Fisher Boy***, ***Mirabel***, ***Sea Cuisine,*** and ***Catch of the Day*** labels, and are available in most grocery and club stores. The Company also sells branded products to restaurants and institutions under the ***High Liner Culinary***, ***Mirabel***, ***Icelandic Seafood***[1] and ***FPI*** labels. High Liner is the foodservice industry's leading frozen seafood company, as well as a major supplier of private-label, value-added, frozen premium seafood products to North American food retailers and foodservice distributors.

Although High Liner's roots are in the Atlantic Canadian fishery, seafood raw material and some finished goods are purchased from around the world, including Canada, the U.S., Europe, Asia and South America. The Company operates food-processing facilities in Lunenburg, NS; Portsmouth, NH; and Newport News, Virginia ("VA") and finished products are held in the Company's modern cold storage facilities, located in Lunenburg, NS; Peabody, MA; Portsmouth, NH; Newport News, VA; and at third party cold storage centers. From these centers, products are distributed throughout North America. The Company's North American retail and foodservice businesses are managed in Toronto, Ontario and Portsmouth, NH.

2.2 Three Year History

During the three years ended December 28, 2019, the Company has been impacted by a number of factors, changes and initiatives including:

1. Strategic acquisitions aligned with the Company's acquisition criteria
2. Voluntary product recall that occurred in Fiscal 2017
3. Organizational realignment initiated in Fiscal 2018
4. Critical initiatives initiated in Fiscal 2019
5. U.S. tariffs implemented in late Fiscal 2018 and throughout Fiscal 2019

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[1] In December 2011, as part of the acquisition of the U.S. subsidiary of Icelandic Group h.f., the Company acquired several brands and agreed to a seven year royalty-free licensing agreement with Icelandic Group for the use of the Icelandic Seafood brand in the U.S., Canada and Mexico. In April 2018, the Company executed a seven year brand license agreement for the continued use of the Icelandic Seafood brand in the U.S. and Canada with royalty payments effective January 2019 (1.5% on net sales of products sold under the Icelandic Seafood brand).

6. Reduction in the Company's common share dividend in Fiscal 2019
7. Refinancing of the Company's term loan facility and amendment of the working capital facility in Fiscal 2019

Strategic Acquisitions

High Liner has made six acquisitions since late 2007, all of which were aligned with the Company's acquisition criteria. Target businesses must be principally selling frozen seafood in North America and synergies must be achieved upon integrating these businesses as a result of leveraging some combination of the Company's existing leading brands, customer relationships, procurement relationships, manufacturing facilities, business systems and expertise in marketing, frozen food logistics and product development. These six acquisitions positioned High Liner Foods as a North American leader in value-added frozen seafood.

The most recent acquisition occurred on May 30, 2017, when the Company acquired 100% of the outstanding equity of Rubicon Resources, LLC ("Rubicon"), a privately held U.S. based corporation engaged principally in the import and distribution of sustainably sourced frozen shrimp products in the private-label U.S. retail market (the "Rubicon Acquisition"). The primary reason for this business combination was to support the Company's growth strategy by expediting the diversification into aquaculture species, like shrimp, that are experiencing higher growth rates in North America. The results of Rubicon have been consolidated with the results of the Company since May 30, 2017.

Product Recall

In Fiscal 2017, the Company announced a voluntary recall of certain brands of breaded fish and seafood products sold in Canada and the U.S. that may contain a milk allergen that was not declared on the ingredient label and allergen statement. The Company identified that the allergen had originated from ingredients supplied by one of the Company's ingredient suppliers. As a result, during Fiscal 2017, the Company recognized $13.5 million in net losses associated with the product recall related to consumer refunds, customer fines, the return of product to be re-worked or destroyed, and direct incremental costs. These losses did not include any reduction in earnings as a result of lost sales opportunities due to limited product availability and customer shortages, or increased production costs related to the interruption of production at the Company's facilities.

During Fiscal 2018, the Company recognized an $8.5 million recovery associated with the product recall losses from the ingredient supplier and during Fiscal 2019, the Company recognized a final $8.5 million recovery associated with the product recall losses from the ingredient supplier. As a result, the Company has recovered the full $13.5 million in losses recognized during Fiscal 2017 related to consumer refunds, customer fines, the return of product to be re-worked or destroyed, and direct incremental costs, and an additional $3.5 million related to lost sales opportunities and increased production costs. No further expenses or recoveries are expected.

Organizational Realignment

During the fourth quarter of Fiscal 2018, the Company announced an organizational realignment to optimize the Company's structure in order to take better advantage of the Company's North American scale. As a result, the Company undertook significant reorganization of the internal leadership and reporting structure. The reorganization is now complete and the Company is arranged as a single frozen seafood company that is focused on North America, rather than focusing on separate geographical segments (U.S. and Canada). As such, the Company has transitioned to a single operating and reporting segment.

The Fiscal 2018 organizational realignment resulted in a 14.0% reduction of its salaried workforce. The Company has recognized total short-term termination benefits of approximately $4.8 million as of the end of Fiscal 2019 with no additional short-term termination benefits expected. The full organizational realignment undertaken in 2018 has generated approximately $7.0 million in net annualized run rate cost savings.

Critical Initiatives

In late Fiscal 2018, the Company embarked on a significant undertaking as represented by the five critical initiatives summarized below to stabilize the business and create optimal conditions for innovation, industry leadership and growth in support of long-term value creation for stakeholders.

To complement existing work and address anticipated headwinds facing the business, the Company engaged the consulting firm AlixPartners to help further analyze and identify improvements associated with the supply chain and other cost savings opportunities related to selling, general and administrative expenses.

The Company's five critical initiatives were as follows and laid the foundation for the strategic objectives High Liner Foods will advance in 2020:

- **Organizational Realignment:** The Company made important progress on this initiative throughout 2019 to realign the organization and create a "One High Liner Foods" culture that improves efficiency and cuts costs, facilitates knowledge sharing and organizational best practices, and laid the foundation for the critical initiatives that follow.

- **Business Simplification:** The Company has reduced unnecessary complexity in its business to simplify its product portfolio and focus the portfolio on the best of High Liner Foods - in terms of margins, customer appeal and growth potential. Although this has required certain product eliminations in 2019 (235 products and 8 species), it has enabled the Company to focus its resources on its most profitable and desirable products.

- **Supply Chain Excellence:** The Company has built on efforts to date to create one integrated supply chain by working to develop a cross-border operating system, increasing the efficiency of manufacturing activities through further centralization and standardization, and improving sales and operational planning. $9.8 million in cost savings were realized in 2019 related to these activities including from improved plant efficiency.

- **Rubicon Shrimp Alignment and Growth:** The Company has worked to extract the value and synergies in this acquisition that have yet to be fully realized. By fully integrating the Rubicon shrimp business into High Liner Foods, the Company is now better positioned to maximize the opportunity for growth in shrimp, one of the fastest growing species in North America.

- **Profitable Organic Growth:** The Company has invested in product innovation, research and partnerships to strengthen its customer engagement, shape consumer tastes and drive demand for its seafood with the goal of returning to profitable growth.

Following execution of its critical initiative plan in Fiscal 2019, High Liner Foods is a more profitable business. Adjusted EBITDA growth in Fiscal 2019 compared to Fiscal 2018 reflects cost savings and efficiency improvements resulting from the critical initiatives. In 2020, the Company plans to continue to turnaround the business and reposition it for long-term sustainable value creation (see Section 2.4 below).

U.S. Tariffs

In September 2018, the U.S. Trade Representative ("USTR") commenced trade discussions with China which has resulted in the following actions related to additional tariffs on goods imported to the U.S.:

- Initial 10% tariff on certain Chinese imports effective September 24, 2018 ("first action");
- Increase to a 25% tariff on Chinese imports covered by the first action effective May 10, 2019 for items entering the U.S. on or after June 10, 2019; and
- Initial 15% tariff proposed on Chinese imports falling under "List 4B" effective December 15, 2019 ("second action"), pending further negotiations between the U.S. and China.

The 5% additional tariff proposed on certain Chinese imports covered by the first action on August 23, 2019, which would bring the total tariff to 30%, and the 15% tariff proposed on certain Chinese imports covered by the second action, have been postponed indefinitely.

The Company currently purchases its seafood raw materials and commodity products from 25 countries, including from the U.S., to meet U.S. consumer demand. A portion of this raw material is imported into China for primary processing and then exported to the U.S. for sale and secondary processing. The Company has determined that the additional tariffs in the first action impacted most notably haddock (excluding block), tilapia and sole/flounder. The estimated annual run-rate exposure of the 25% tariff on Chinese imports covered by the first action is approximately $12.0 million, based on current volume and raw material costs. However, the Company has implemented plans, including pricing actions and other supply chain initiatives, to mitigate the impact of these tariffs and reduce the estimated impact to the Company.

During December 2019, the Company received notice of approval of an exclusion request submitted to the USTR regarding tariffs on certain goods imported to the U.S. from China. The exclusion applies to tariffs already incurred, or that would otherwise be incurred, on specific goods from September 24, 2018 to August 7, 2020 and may result in the recovery of tariffs previously paid by the Company. It is not practicable at this time to estimate the timing or amount of any recovery.

The Company will continue to monitor these developments closely, particularly if further information becomes available regarding potential additional tariffs or exclusions, or how the previously announced tariffs and exclusions will impact the Company.

Capital Structure & Dividends

During Fiscal 2019, the Board of Directors revised the quarterly dividend to CAD$0.05 per common share from CAD $0.145 per common share. The revised dividend frees up approximately $10 million in cash flow annually to support the reduction and refinancing of debt to create a stronger balance sheet.

Debt Refinancing

During Fiscal 2019, the Company announced the amendment of its working capital facility and the early refinancing of its term loan facility. The working capital facility was amended by reducing the amount of the facility from $180.0 million to $150.0 million and extending the term from April 2021 to April 2023. The term loan facility was reduced from $370.0 million to $300.0 million, the term was extended from April 2021 to October 2026, and the applicable interest rates for loans under the facility was increased from LIBOR plus 3.25% (1.00% LIBOR floor) to LIBOR plus 4.25% (1.00% LIBOR floor). Debt amendments are described further under Item C in Section 15 of this document.

2.3 Business Strategy

Our business strategy is focused on selling frozen seafood in North America. We focus on frozen seafood because we are experts in this category, and on the North American market because we continue to see opportunities for growth by building on our position as a leader in frozen seafood in both the U.S. and Canada.

Our business strategy is supported by our corporate vision, mission and values. Our vision sets our overall direction:

"Great tasting seafood for a better life."

Our mission describes why we exist as a company:

"Providing innovative solutions to a world looking for healthy, easy to prepare, delicious seafood."

Seafood is a nutritious protein choice that Americans, on average, are not consuming enough of to meet the recommended two servings per week in the U.S. Dietary Guidelines for Americans (Eighth Edition) 2015-2020. In Canada's Food Guide (2019), it is recommended that each meal be comprised of 25% protein foods, of which fish and shellfish are a recommended healthy protein. We see this as an opportunity to drive seafood consumption in North America through introducing new and innovative frozen seafood products to the market that not only make it easy for health-conscious consumers to incorporate more seafood into their diets, but which appeal to consumers as a convenient and delicious option when making a choice among proteins. Ultimately, we are focused on developing and marketing frozen seafood products that will result in North Americans choosing to eat more seafood than they do today.

Seafood is a complex category for our retail and foodservice customers. Buying seafood is complex due to a global supply chain and the existence of more than one hundred commercial species, and in addition, many people believe that preparing seafood is time consuming and difficult. We are committed to simplifying the seafood category for our customers, from procurement through to preparation, and leveraging the full extent of our seafood expertise so they can be confident in serving quality, delicious seafood products.

The Company and its employees are committed to conducting business in a manner that always reflects the following values:

- **Customer focused**: The Company is focused on meeting the current and future needs of customers and believes that success depends on understanding customers, building strong relationships and delivering quality products on time.
- **Innovative**: The Company is committed to providing differentiated and innovative products and services to grow the business and meet the needs of a changing marketplace. High Liner is also committed to innovation in how the business works, seeking ways to make the business more efficient.
- **Responsible**: The Company takes responsibility for its actions. In a competitive industry, High Liner operates with integrity with customers, suppliers and employees. The Company respects the environment and is committed to sustainability in its operations.

In combination with the Company's growth strategy (see Section 2.4 below), High Liner believes this business strategy will help to achieve its vision and increase shareholder value in the long-term.

2.4 Growth Strategy

High Liner's growth strategy is focused on returning the business to profitable and sustainable revenue growth. The Company has become increasingly challenged to grow revenue over the last several years as it experienced declines in demand for its traditional breaded and battered frozen seafood products, which makes up a significant portion of the Company's product portfolio and typically earn higher margins as compared to the non-value-added products (i.e. commodity products) it sells.

In late 2018, the Company embarked on a significant undertaking comprised of five critical initiatives to stabilize the business and create optimal conditions for innovation, industry leadership and growth in support of long-term value creation for stakeholders (see Section 2.2 above). Following execution of its critical initiative plan in Fiscal 2018 and Fiscal 2019, High Liner Foods is a more profitable business. Adjusted EBITDA growth in Fiscal 2019 compared to Fiscal 2018 reflects cost savings and efficiency improvements resulting from the critical initiatives.

In 2020, the Company plans to continue to turnaround the business and reposition it for long-term sustainable value creation. Building on a stronger foundation, continuous improvement across the business in 2020 is expected to deliver further growth in Adjusted EBITDA compared to Fiscal 2019 and continue to reposition the business for a return to profitable, sustainable revenue growth. The Company's strategic objectives in 2020 focus on:

- Growing revenue from profitable value-added products through improved sales and marketing execution, on-going portfolio management and accelerated product innovation; and
- Further improving profitability through continued business simplification, improved business processes and supply chain optimization, including completing operating efficiency and cost savings initiatives identified in 2019.

3. THE BUSINESS

3.1 Product Marketing and Geographic Information

Trademarks and Brand Names

High Liner Foods' products are sold both directly and through distributors to North American retail and club stores, and through foodservice distributors to hotels, restaurants and institutions (such as healthcare and educational organizations). The majority of seafood products are marketed under a number of proprietary brands including: ***High Liner***, ***Fisher Boy***, ***Sea Cuisine***, ***Catch of the Day***, ***High Liner Foodservice***, ***Mirabel***, ***Icelandic Seafood*** (under a licensing agreement) and ***FPI*** trademarks. In addition to branded products, High Liner Foods produces private-label frozen seafood products for numerous retailers, club stores and foodservice distributors throughout North America.

Under the Company's trademarks and brands, and from a variety of seafood species, High Liner markets a diverse range of frozen seafood products, including raw fillets and shellfish, cooked shellfish and value-added products such as sauced, glazed, breaded and battered seafood, along with seafood entrées. In addition, the Company produces breaded cheese sticks for a small, select group of customers. A full listing of "sub-brands" and product names are included on the Company's various foodservice and retail websites, which can be accessed through the corporate website at www.highlinerfoods.com.

Geographic Information

As discussed above, as a part of the organizational realignment completed in Fiscal 2018, the Company is now arranged as a single frozen seafood company that is focused on North America and has transitioned to a single operating and reporting segment. Sales earned outside of Canada for the fifty-two weeks ended December 28, 2019 were $712.4 million (December 29, 2018: $795.2 million). Sales by geographic area are determined based on the shipping location.

In North America, the frozen seafood market can be divided into three categories: "Breaded & Battered"; "Prepared"; and "Raw" (i.e. not breaded, battered or prepared). The first two categories are considered "value-added" categories and the third "non-value-added".

North American Operations

In North America, High Liner Foods competes in all three categories of the frozen seafood market as described above, with a focus in the "value-added" category. The Company produces both national branded and private-label products that are sold in retail (including club stores) and foodservice channels.

The North American retail division markets products under the ***High Liner***, ***Fisher Boy***, ***Sea Cuisine***, and ***Catch of the Day*** brands to various retailers including supermarkets, mass merchants, drug stores and club channels. The recent acquisition of Rubicon has provided a strong platform for growth by diversification into sustainably sourced frozen shrimp products. Diversification into shrimp supports the Company's North American retail strategy as this is considered a key species experiencing high growth rates in North America.

The North American foodservice division markets branded products under the ***High Liner Culinary***, ***Mirabel***, ***Icelandic Seafood*** and ***FPI*** brands to restaurants, cafeterias, and other institutions. Acquisitions of Fishery Products International, Inc. and Viking Seafoods, Inc. have provided strength in innovation, industry-recognized beer-battered products, a line of premium "Icelandic" fillets, and increased value-added frozen seafood sales operations that have supported the Company's North American foodservice strategy.

The Company routinely introduces new products for consumers and its foodservice customers under the brands discussed above. The new products are derived from fish protein and include fresh and frozen fish offerings, family-size offerings, and shareable and snacking offerings. The value-added product innovations fueling future growth are based on insights, trends, product affordability, and great taste. In 2019, the Company launched High Liner branded multi-channel innovation that leveraged core capabilities for new occasions in snacking.

In the U.S., High Liner Foods employs a network of sales brokers, managed by regional managers employed by the Company. In Canada, High Liner Foods utilizes a direct sales force and a field sales broker for in-store execution.

3.2 Production Facilities

At December 28, 2019, High Liner Foods owned and operated three manufacturing facilities in North America consisting of: two plants in the U.S. (in Portsmouth, NH, and Newport News, VA) and one plant in Canada (in Lunenburg, NS).

The following table summarizes the capacity and 2019 utilization of the Company's manufacturing facilities based on finished pounds and current shift patterns. All of these facilities produce value-added seafood products.

Location	Annual Capacity*	Capacity Utilization*
Lunenburg, NS, Canada	50,000,000	95%
Portsmouth, NH, U.S.	61,000,000	85%
Newport News, VA, U.S.	64,000,000	83%

* The capacities above are based on the 2019 manufacturing profile of finished pounds. Currently, capacities could be increased at the Lunenburg, Portsmouth and Newport News facilities to 60 million, 90 million and 100 million pounds, respectively, by implementing a change in shift patterns, and additional capital investment.

The Company utilizes a combination of Company-owned and third party-managed cold storage facilities.

China Operations

The Company has several major custom processing agreements with third party producers in China involving the supply of a large volume of raw material and finished product. These agreements have been in place for several years and they help to ensure a consistent supply of high quality product at competitive costs.

Regulatory Environment

In Canada, certain food businesses, including seafood-processing plants, are required to adopt a Preventative Control Plan ("PCP") under the recently implemented Safe Food for Canadians Act and Regulations. These requirements cover the regulatory and safety aspects of food processing and importing in Canada and have been developed by the Canadian Food Inspection Agency ("CFIA") based on global best practices. This plan must also include a hazard analysis that describes how hazards will be controlled and/or eliminated. High Liner Foods' PCP and processing facilities are regularly inspected and audited by the CFIA and remain in good standing.

In the United States, the Company's plants produce product in accordance with standards set forth by the U.S. Food and Drug Administration's ("FDA") and the U.S. Department of Agriculture ("USDA"). The regulatory requirements for seafood processing (and importing) in the United States are very specific for fish and fishery products and all plants are required to operate with current seafood Hazard Analysis Critical Control Point ("HACCP") programs. Our plants are regularly inspected and audited by our regulatory partners in the U.S. and remain in good standing.

In addition, our suppliers' plants outside of North America must demonstrate compliance for imported products in accordance with the guidelines set forth in the FDA seafood HACCP. All of the Company's non-North American suppliers operate with HACCP approved plans and are required to adhere to newly strengthened FDA and Canadian CFIA importation requirements focusing on food safety and traceability. In addition, all purchases are subject to risk based quality review and inspection by the Company's own trained quality inspectors. We have strict specifications for suppliers of both raw material and finished goods to ensure that procured goods are of the same quality and consistency as products processed in our own plants. High Liner Foods has offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland and employs full-time procurement and food safety and quality experts to oversee procurement activities around the world. This oversight includes production monitoring and finished product inspection at the source before shipment to North America. We also maintain strict *Supplier Approval and Audit Standards*. Through audit procedures, all food suppliers are required to meet our quality control and safety standards, which, in many instances, are higher than regulatory standards. All product is inspected to assure consumers that High Liner Foods' quality is consistent, regardless of source or origin.

In order to maintain compliance with the various, and ever changing regulatory, industry and customer requirements and expectations, we employ a Food Safety and Quality Assurance team comprised of highly qualified, trained and experienced personnel including food scientists, quality technicians, quality and food safety auditors, and labelling and nutritional professionals. High Liner Foods has retained independent auditors to add an additional level of scrutiny to our food safety programs. High Liner Foods has robust audit policies and processes that are consistently applied throughout the Company. Audit processes are implemented and all personnel are adequately trained. Quality and food safety activities also include state-of-the-art product specification and traceability systems. We are continuously evaluating and updating our internal operating standards to keep pace with the industry expectations and to support improved performance and greater success.

3.3 Competitive Conditions

Competition is very intense in the North American retail market where the primary competitive factors are price, convenience, consistent supply, taste, nutrition, value, consumer brand recognition and loyalty. Additionally, the competitive landscape is changing where there is an increased risk that High Liner Foods' suppliers or customers could become competitors if they decide to distribute or source their own seafood products. The Company believes that the key to growing loyalty at the shelf, which will help to remain competitive, is enhancing and energizing the brands. In 2019, the ***High Liner*** and ***Sea Cuisine*** brands were successfully refreshed to further strengthen brand loyalty.

In the Canadian retail seafood market, the ***High Liner*** brand is the market leader. The Company also supplies value-added and commodity products under a number of proprietary brands and private labels. In the U.S., the Company is one of the largest value-added frozen seafood suppliers, including both value-added and commodity products. The Company's private label offerings combined across multiple retailers share the leadership position. The Company's major competitors in the retail seafood market are national marketers of brand name and generic products, including Nippon Suisan (Gorton's and BlueWater brands), ConAgra Brands (Mrs. Paul's and Van de Kamp brands), Rich SeaPak, Trident Seafoods Corporation, Jane's Family Foods Ltd. and Aqua Star.

In the North American foodservice market, continuity of supply, customer service, and price are the major components of competition. High Liner Foods' major competitors in the foodservice market consist of vertically-integrated seafood companies, food-processing companies and seafood traders. In the Canadian foodservice seafood market, the Company holds a leading market position in the value-added frozen seafood category. The Company's major competitors in Canada include Toppits Quality Frozen Foods, Export Packers Company Limited, Beaver Street Fisheries, Trident Seafoods Corporation and many smaller trading companies. In the U.S., the Company supplies private-label products in the foodservice channel and major competitors include Trident Seafoods Corporation, Nippon Suisan (owning King & Prince in the U.S.), Mazzetta Company, Tampa Maid, Red Chambers (owning Tampa Bay Fisheries), Ocean Food Sales, Ocean Beauty, Aqua Star, Beaver Street Fisheries, Pacific Seafood Group and many smaller trading companies.

3.4 Components - Procurement of Raw Materials and Finished Goods

High Liner Foods is dependent on its seafood procurement activities and in 2019, purchased approximately 189 million pounds of seafood, with an approximate value of $554 million. In 2019, the Company procured approximately 30 different species from 25 different countries.

The major species procured in 2019 accounted for approximately 95.2% of the total dollar purchases in 2019. These species are as follows:

Species	Percent of Total Purchases
Cod	30.2 %
Shrimp	21.7 %
Salmon	13.2 %
Haddock	11.1 %
Alaskan pollock	9.7 %
Tilapia	6.0 %
Sole	3.3 %
Total major species	**95.2%**

The Company has a stringent supplier selection process. As disclosed in Section 3.2 above, all of the Company's suppliers operate HACCP-certified plants, regardless of geographic location. Supplier audits are performed to ensure the products they produce meet or exceed requirements set by the Canadian and U.S. food inspection agencies and High Liner product specifications. In many cases, High Liner specifications and testing exceed regulatory requirements. When product is received in either Canada or the U.S, the respective food inspection agencies may perform independent testing of products before they are approved for use in production or for sale.

Our foreign representative offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland employ procurement and quality control staff to oversee procurement activities in those major countries from which product is procured. High Liner Foods' North American quality personnel also travel to Asia to supervise activities overseas. In addition, agents in Chile, Ecuador, India, Indonesia and Vietnam supervise procurement activities in their respective areas.

It is not industry practice to have significant long-term contracts to purchase raw seafood. There is no futures market for seafood where forward purchases can be hedged. Therefore, the Company's strategy is to build long-term strategic relationships with seafood suppliers. Agreements of up to one year in duration are entered into with these suppliers, and can cover both price and quantity, but often provide for quality and quantities only, with price determined by the market at the time of shipment or on a quarterly basis. Substantially all purchases are in USD. From time to time, depending upon market conditions, the Company takes inventory positions to ensure sufficient raw materials at acceptable costs.

The long-term global demand for fish and seafood continues to grow. The catch of wild fish has stabilized at around 90 million tonnes annually, which represents between 55% and 60% of the total supply, while aquaculture production continues to increase as shown in Exhibit 1. Exhibit 2 indicates catches of the ten most important wild groundfish species, as reported by the Food & Agriculture Organization of the United Nations ("FAO") in 2019, along with estimates of panelists, as presented at the 2019 Groundfish Forum, an industry group that meets annually to discuss the global seafood industry.

Exhibit 1 - Global Overview: Total Catches

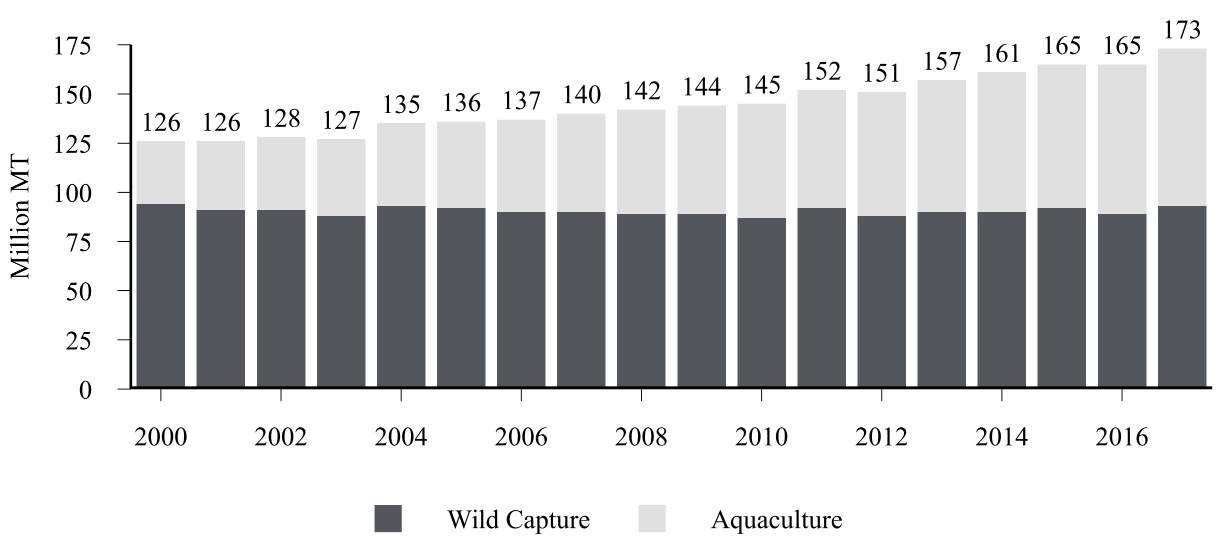
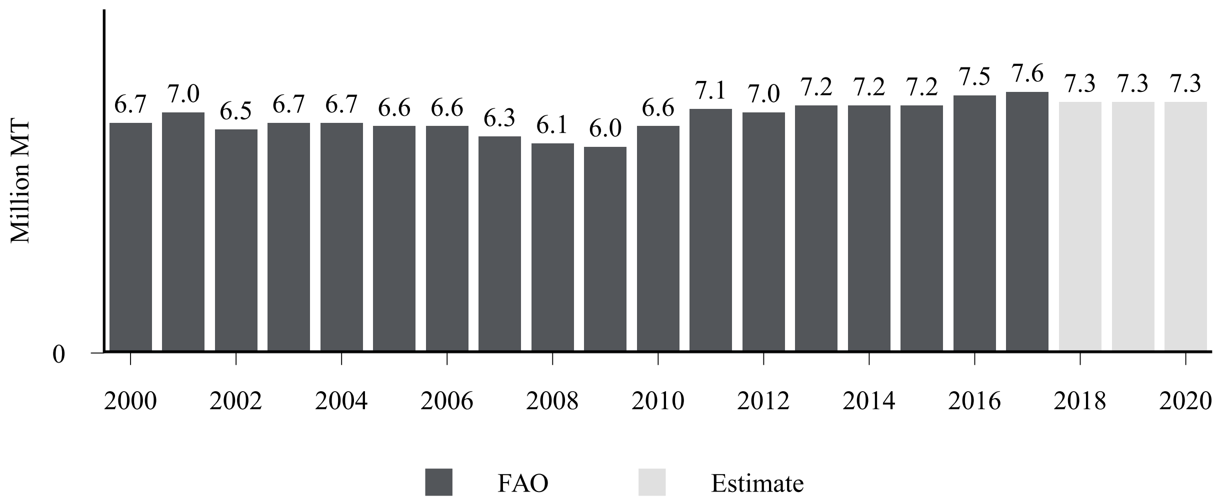


Exhibit 2 - Global Groundfish Summary: Major Species*



* Major species include: Alaskan pollock; Atlantic cod; Pacific cod; haddock; saithe (Atlantic pollock); redfish (ocean perch); Cape hake; South American hake; North Pacific hake and hoki.

The total supply of seafood continues to increase because of significant increases in aquaculture. Globally, there has been considerable development in the aquaculture industry both in finfish and shellfish species. This trend is expected to continue. High Liner currently procures aquaculture products, including warm water shrimp, tilapia, pangasius (basa), mussels, scallops and Atlantic salmon. The Company's strategy is to increase the procurement of aquaculture products in the future and align with this trend of increased aquaculture. Currently, 34% of the Company's procurement by value is related to aquaculture product.

High Liner Foods made a commitment in late 2010 to source all of its seafood from "certified sustainable or responsible" fisheries and aquaculture farms by the end of 2013. With this commitment, High Liner Foods requires wild-caught seafood and farmed products to either:

- come from fisheries and aquaculture processors certified as sustainable; or
- if those suppliers are not certified, they must be on a clear, defined path, actively working towards being sustainable, and capable of documenting measurable improvements. High Liner Foods collaborates with its NGO partner, the Sustainable Fisheries Partnership, in assisting suppliers falling into this category, with achieving sustainability objectives.

By the end of 2013, High Liner Foods had substantially achieved the commitment it made in late 2010 and is now recognized as a global leader in driving best practice improvements in wild fisheries and aquaculture. In addition, a social compliance program was implemented with seafood suppliers in 2015 which outlines acceptable standards for the treatment of all suppliers' employees involved in the production of seafood products for the Company.

For a detailed description of the risks associated with commodity prices and currency fluctuations in relation to procurement of raw materials, refer to the Company's Management's Discussion & Analysis ("MD&A") for the year ended December 28, 2019.

3.5 Seasonality

High Liner Foods' operating results by quarter fluctuate throughout the year. For a detailed discussion regarding how seasonality affects the Company's operations, refer to the Company's MD&A for the year ended December 28, 2019. The MD&A also includes a summary of sales, income from operations and net income, on both a total dollar and a per share basis, for the eight most recently completed quarters ending December 28, 2019.

3.6 Employees

At December 28, 2019, High Liner Foods had 1,167 active regular full and part-time employees, of whom 690 were salaried employees and 477 were hourly employees.

Regular full and part-time employees by country are as follows:

Country	Number of Employees
U.S	711
Canada	435
China	14
Thailand	5
Iceland	2
Total	**1,167**

High Liner Foods has approximately 226 unionized employees in its Lunenburg facility who are represented by the Unifor union. The Lunenburg collective agreement expired in December 2017 and was renegotiated during 2018. The new collective agreement has an expiry date of December 2020. The Company believes it has good relations with its unionized employees and does not anticipate any labour disruptions in 2020. The hourly workers in Portsmouth, Newport News, and Peabody are not unionized.

3.7 Effect of Volatility of Canadian Dollar

The Company has chosen a USD presentation currency because, although the functional currency of the Canadian parent company is CAD, the Company believes the USD presentation better reflects the total Company's business activities and improves investors' ability to compare the total Company's financial results with other publicly-traded businesses in the packaged foods industry (most of which are based in the U.S. and report in USD). This should also result in less volatility in sales and earnings and also on the balance sheet, as a large part of financial statement items are functional USD or influenced by USD-denominated commodities. The chart below shows USD/CAD exchange rates for the period of 2017 to 2019.

USD / CAD Exchange Rate	2019	2018	2017
Balance Sheet - year-end rate	0.7649	0.7338	0.7988
Income Statement - average rate	0.7534	0.7718	0.7702
Percent change - year-end rate	4.2 %	(8.1)%	10.6 %
Percent change - average rate	(2.4)%	0.2 %	(3.5)%

Approximately 75.6% of the Company's sales and related operations are denominated in USD; the majority of debt is denominated in USD; bank covenants are measured in USD; and some of the Parent company's input costs are denominated in USD. Reporting in USD reduces the volatility of currency changes; however, when the U.S. dollar strengthens (weakening Canadian currency), the reported values of CAD-denominated items of the Parent company decrease in the consolidated statements and the opposite occurs when the U.S. dollar weakens. CAD-denominated items in the Parent company's operations are converted to USD at the balance sheet date for balance sheet items and at the average exchange rate of the month the transaction occurs for income statement items. As such, foreign currency fluctuations affect the reported values of individual lines on the Company's balance sheet and income statement.

The table below shows Company net sales in domestic currency or assuming a constant exchange rate of par between the U.S. and Canadian dollar, and calculates the change in net sales in domestic currency.

(Amounts in 000s, except percentages)		2019		2018		2017
Sales as reported	$	942,224	$	1,048,531	$	1,053,846
Foreign exchange effect		74,352		74,697		77,887
Sales in domestic currency	**$**	**1,016,576**	**$**	**1,123,228**	**$**	**1,131,733**
Change in sales, excluding FX effect		**(9.5)%**		**(0.8)%**		**9.2%**

3.8 Social and Environmental Policies

The Company's food processing plants are subject to federal, provincial, state and municipal legislation and regulation with respect to safety and environmental matters.

Corporate Social Responsibility ("CSR") is a term used to refer to the set of voluntary actions companies take to mitigate the social and environmental impacts of their operations on society. CSR is significant in the seafood industry as seen through the multiplication of private initiatives such as certification programs, sourcing commitments and improvement projects. Many of the issues addressed through CSR in seafood occur in the downstream end of seafood supply chains and include sustainable fish stocks, social aspects such as working conditions and fair wages, and transparency. High Liner Foods has continued its leadership position with the preparation of CSR reports in 2017 and 2018 that disclose many of the improvement efforts underway.

In the U.S., state labour laws and the federal Occupational Safety & Health Act ("OSHA") regulate how work must be conducted in the Portsmouth and Newport News plants. In Canada, provincial legislation and Workers Compensation Boards play an active role in monitoring health and safety in workplaces. Employee safety committees are in place at each High Liner Foods facility. These safety committees report to the Corporate Safety Steering Committee which in turn reports to the Human Resource and Corporate Governance Committee ("HRCG") of the Board. A corporate Safety Policy is in place to ensure a safe workplace for all High Liner Foods employees and safety policies are in place at each facility to protect employees and to maintain compliance with legislation. Regular specialized employee training is required under many of the policies.

With respect to environmental protection, the Company has an Environmental Management Policy ("EMP") designed to ensure that High Liner meets or exceeds the requirements of the federal, provincial, state, municipal and local environmental laws and requirements in both the U.S. and Canada. A risk of environmental impact is inherent in food processing operations, activities associated with such operations, and the ownership, management or control of real estate. However, the Company's policy and internal management ensures this risk is managed in accordance with diligent practices.

High Liner plants contain substantial freezing equipment, all of which utilize ammonia systems. Any release of ammonia in the operation of this equipment could result in environmental and employee safety hazards and remediation requirements, and therefore maintenance of the related equipment is a priority. The Company has a comprehensive emergency response plan in all facilities and personnel are well trained and, where required, certified in hazardous materials handling.

Each facility has a preventative maintenance program that is monitored and upgraded as required. Currently, the Lunenburg, Portsmouth, and Newport News plants operate computerized maintenance management systems. These programs allow maintenance teams to closely monitor and manage both preventative maintenance and work orders at the facilities.

As part of the EMP, High Liner has an employee Environmental Steering Committee, which reports its matters to the Audit Committee of the Board (see the "Audit Committee Charter" in the Appendix). The mandate of the Environmental Steering Committee is:

1. To review and report to the Board on the Company's compliance with all environmental and safety regulations and laws in the areas where it carries on business;
2. To assist management in developing action plans to deal with environmental and safety issues; and
3. To monitor management's progress at rectifying any situations identified as potential risks.

The Company's Board of Directors, through its committees, receives regular reports on the Company's safety and environmental management, and oversees efforts of the Company to maintain safe and environmentally compliant workplaces.

Environmental protection requirements are integrated into the Company's overall enterprise-wide risk management programs. High Liner anticipates no material impact of such requirements on capital expenditures, earnings and competitive position in 2020.

Due to the reliance on global raw material procurement, the Company has also implemented compliance standards and mandatory requirements for suppliers. All suppliers to High Liner Foods are required to accept and comply with "Supplier Approval and Audit Standards". Approval as a supplier requires compliance with all regulatory requirements applicable to High Liner Foods' products, including with HACCP, QMP and High Liner high-quality specifications. As well, suppliers must accept the "Supplier Code of Conduct", which requires compliance with local laws and ethical business practices. High Liner Foods works with Social Ethical Data Exchange, which offers a system for analyzing ethical and responsible business practices throughout the supply chain. High Liner Foods requires its raw material suppliers to pass a credible social compliance audit that is dependent on specific risk factors by country at frequencies defined in its Supplier Code of Conduct.

4. RISK FACTORS

The Company is subject to a number of risks and uncertainties related to its businesses that may have adverse effects on its results of operations and financial position. These risks and uncertainties, as well as other factors that could potentially impact the Company's results of operations and financial position, can be found in the Company's MD&A for the fifty-two weeks ended December 28, 2019 under the heading "Risk Factors", which is incorporated by reference herein. The Company's MD&A has been filed electronically through SEDAR and is available online at www.sedar.com.

5. DIVIDEND GUIDELINE

Beginning in the last quarter of 2003, the Company instituted a quarterly dividend to holders of High Liner Foods' common shares. In determining the level of dividends paid, the Board of Directors considers the relative yield on High Liner Foods' shares compared to its industry peers, as well as indebtedness of the Company and the percent of expected annual net income being distributed by way of dividends. A payout of between 30% and 35% of trailing adjusted earnings per share is generally targeted, but no set dividend policy exists. Shareholders are reminded for purposes of calculating financial ratios, including the dividend payout ratio, to take into consideration that the Company's dividend rate is reported in CAD and its earnings are reported in USD.

In May 2019, after an extensive review of its capital allocation strategy, the Board elected to revise the quarterly dividend to CAD$0.050 per common share from CAD$0.145 per common share applicable on a prospective basis, commencing with the Company's Q2 2019 quarterly dividend. This revision has brought the dividend back in line with the Company's previously disclosed guidance for the dividend to provide a payout of 30-35% of trailing adjusted diluted earnings per share relative to 2018 and Q1 2019 results. The revised dividend also frees up approximately $10.0 million in cash flow annually to support the reduction and refinancing of debt to create a stronger balance sheet.

The following table sets forth the dividends per share declared and paid on the Company's common shares over the last three fiscal years:

Dividend Record Date		Quarterly Dividend $CAD
December 1, 2019	$	0.050
September 1, 2019	$	0.050
June 1, 2019	$	0.050
March 7, 2019	$	0.145
December 1, 2018	$	0.145
September 1, 2018	$	0.145
June 1, 2018	$	0.145
March 1, 2018	$	0.145
December 1, 2017	$	0.145
September 1, 2017	$	0.140
June 1, 2017	$	0.140
March 1, 2017	$	0.140

On February 26, 2020, the Company's Board of Directors approved a quarterly dividend of CAD$0.050 per share on the Company's common shares payable on March 15, 2020 to holders of record on March 4, 2020.

Among other things, financial covenants in the Company's credit facilities may affect the amount of the dividend. Debt arrangements, negotiated as a result of the financing of acquisitions (substantially amended in February 2013, April 2014 and October 2019, and described further under Item C in Section 15 of this document), contain provisions that dividends can continue to be paid as long as the Company meets certain financial targets. Under the Company's $300.0 million senior secured term loan facility ("Term Loan"), dividends cannot exceed $17.5 million per year. This amount increases to the greater of $25.0 million per year or 32.5% of EBITDA as defined in the loan agreement when the defined total leverage ratio for the Company is below 4.0x. The defined total leverage ratio was 4.1x on December 28, 2019.

Normal Course Issuer Bids ("NCIB") (see Section 6, *Capital Structure*) are subject to an annual limit of $10.0 million under the Term Loan facility. In addition, under the Company's working capital facilities "Average Adjusted Aggregate Availability", as defined in the credit agreement, needs to be $18.8 million or higher and was $110.3 million on December 28, 2019. NCIBs are also subject to an annual limit of $10.0 million under the Company's working capital facilities, with a provision to carry forward unused amounts subject to a maximum of $20.0 million per annum. The Term Loan (and amendments) can be reviewed at www.sedar.com.

6. CAPITAL STRUCTURE

The only listed shares of the Company outstanding at December 28, 2019 are the common shares that are listed on the TSX.

High Liner Foods' capital structure, including a description of each class of authorized security and associated characteristics of each security, including voting rights, provisions for conversion, dividend rights, etc., is fully disclosed in *Note 16* to the Company's Annual Audited Consolidated Financial Statements for the year ended December 28, 2019.

Securities Subject to Contractual Restriction on Transfer

On May 30, 2017, the Company acquired 100% of the outstanding interests in Rubicon, and the purchase consideration was settled in cash ($75.0 million) and in common shares ($25.8 million or 2.43 million shares). The share consideration is subject to a three year standstill agreement during which time the sellers are not permitted to sell the shares (except in limited circumstances).

Designation of class	Number of securities that are subject to a contractual restriction on transfer	Percentage of class
Common shares	**2,429,014**	7.3%

6.1 Normal Course Issuer Bid

In January 2017, High Liner filed a new NCIB ("2017 NCIB") to purchase up to 150,000 common shares. The 2017 NCIB terminated on February 8, 2018. During the fifty-two weeks ended December 29, 2018, there were no purchases under this plan.

In January 2018, High Liner filed a new NCIB ("2018 NCIB") to purchase up to 150,000 common shares. The 2018 NCIB terminated on February 1, 2019. During the fifty-two weeks ended December 28, 2019, there were no purchases under this plan.

As at February 26, 2020, the Company has not filed a new NCIB.

6.2 Credit Ratings

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation. Credit ratings are not recommendations to buy, hold or sell the Company's securities and may be subject to revision or withdrawal at any time by the respective rating organization. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that these ratings will remain in effect for any given period of time, and to the extent such ratings worsen, the Company's financing costs may increase.

As is common practice, each of the below-noted credit rating agencies charged the Company for their rating services, which include annual monitoring fees for monitoring the Company and updating the ratings, in addition to one-time rating fees when debt is initially issued or refinanced. The Company reasonably expects that such payments will continue to be made for rating services in the future. No additional payment was made to the below-noted credit rating agencies for other services provided to the Company during the last two fiscal years.

As at February 26, 2020, the credit ratings of the Company were as follows:

	Credit Rating	Outlook
Standard and Poor's[1]	B	Stable
Moody's Investor Service[2]	B2 (Long-term Corporate Family Rating)	Stable

[1] *Issued September 23, 2019*
[2] *Issued September 30, 2019*

Standard and Poor's ("S&P")

S&P has ten long-term debt credit ratings ranging from AAA to D. The B rating assigned to the Company is the sixth of these ten rating categories. A B rating indicates that an entity has the capacity to meet financial commitments, but is more vulnerable to adverse business, financial and economic conditions. Ratings designations from AA to CCC may be modified by the addition of a plus or minus to show relative standing within the major rating category. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. Outlooks fall into one of four categories: positive, negative, stable or developing. A credit watch outlook is assigned to a rating when it is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral).

Moody's Investors Service ("Moody's")

Moody's has nine long-term debt rating categories, ranging from Aaa to C and applies numerical modifiers 1, 2 and 3 to each rating classification from Aa to Caa. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of its generic rating category. Obligations rated B are the sixth highest of the nine ratings categories and are considered speculative and subject to high credit risk.

Moody's Corporate Family Ratings (CFRs) are long-term ratings that reflect the relative likelihood of a default on a corporate family's debt and debt-like obligations and the expected financial loss suffered in the event of default. A CFR is assigned to a corporate family as if it had a single class of debt and a single consolidated legal entity structure. CFRs are generally employed for speculative grade obligors, but may also be assigned to investment grade obligors. The CFR normally applies to all affiliates under the management control of the entity to which it is assigned. A CFR does not reference an obligation or class of debt and thus does not reflect priority of claim.

Moody's uses "rating outlooks" to provide its opinion regarding the likely direction of a rating over the medium term. The assignment of, or a change in, an outlook is not a credit rating action if there is no change to the credit rating. Where assigned, rating outlooks fall into the following four categories: "Positive (POS)", "Negative (NEG)", "Stable (STA)" and "Developing (DEV - contingent upon an event)".

7. MARKET FOR SECURITIES

High Liner Foods' common shares are listed for trading on the TSX under the symbol "HLF". During Fiscal 2019, the Company's common shares traded on the TSX between CAD$6.57 and CAD$12.00. As of the last trade date of Fiscal 2019, the common shares closed at CAD$8.23.

The table below shows the trading price ranges and volumes for the Company's common shares on the TSX for each month during the 2019 fiscal year.

	High $CAD	Low $CAD	Close $CAD	Daily Average Volume	Total Volume
December	9.72	8.11	8.23	40,378	928,697
November	9.68	9.05	9.39	36,626	732,529
October	11.39	9.50	9.69	86,515	1,643,788
September	12.00	10.81	10.91	78,636	1,887,273
August	11.42	8.92	10.91	107,996	2,051,924
July	11.08	8.74	10.58	109,332	2,077,310
June	8.98	8.21	8.89	98,036	2,450,899
May	8.95	6.83	8.43	98,036	2,623,862
April	9.02	7.80	7.96	66,061	1,255,163
March	8.19	6.57	7.85	88,863	2,221,583
February	7.70	6.84	6.84	43,821	832,592
January	8.22	7.23	7.39	45,692	868,144

8. DIRECTORS AND OFFICERS

8.1 Directors

The following table sets forth the names, residence, occupations, and committees of the directors of High Liner Foods as of December 28, 2019. Pursuant to High Liner Foods' by-laws, directors are elected to serve until the next annual general meeting of shareholders or until a successor is elected. The terms of all incumbents therefore expire on May 12, 2020.

Name and Residence	Director Since	Principal Occupation[1]	Committees
Joan Chow Oak Park, IL, USA	2017	Chief Marketing Officer of the Greater Chicago Food Depository *(not-for-profit organization)*; board member, member of Governance Committee and Chair of Compensation Committee of Welbilt, Inc. *(culinary equipment company)*; former Executive Vice President and Chief Marketing Officer, Conagra Foods (*packaged foods company)*	HRCG Committee
Robert P. Dexter, Q.C. Halifax, NS, Canada	1992	Chairman and CEO of Maritime Travel Inc. *(travel services company)*; former Chairman of the Board of Directors of Empire Company Limited and Sobeys Inc. *(food retail and corporate investments company)*; Director of BCE Inc. *(telecommunications holding company)*	HRCG Committee

Name and Residence	Director Since	Principal Occupation[1]	Committees
David J. Hennigar Bedford, NS, Canada *Vice Chairman and Lead Director since May 2015*	1984	Executive Chairman of Thornridge Holdings Limited *(investment company)*; former investment adviser at Wellington-Altus Private Wealth *(private wealth management company)*	Audit Committee
Jill C. Hennigar Halifax, NS, Canada	2018	Senior Manager Human Resources at Emera Inc. *(energy utility company)*; former Manager of Investor Relations, Emera Inc. *(global energy company)*	Audit Committee
Rod W. Hepponstall Portsmouth, NH, USA	2018	President & Chief Executive Officer (since May 2018); formerly Senior Vice President and General Manager of Foodservice & Retail Businesses of Lamb Weston Holdings Inc. *(food processor)*; formerly Vice President and General Manager, Foodservice of Conagra Foods *(packaged foods company)*; former board member of the International Foodservice Manufacturers Association *(trade association)*	Executive Committee
Shelly L. Jamieson Norwood, ON, Canada	2012	Board member of Ontario Health *(government organization)*; formerly Secretary of Cabinet, Ontario *(government organization)*; formerly President of Extendicare (Canada) Inc. *(long-term care facilities company)*; formerly Ontario's Deputy Minister of Transportation *(government organization)*; Past CEO of the Canadian Partnership Against Cancer *(federally funded agency)*	HRCG Committee (Chair) Executive Committee Nominating Committee
M. Jolene Mahody Halifax, NS, Canada	2014	Executive Vice President & Chief Strategy Officer, Chorus Aviation Inc. *(aviation company)*; formerly CFO, Chorus Aviation Inc.; and formerly COO at Jazz Aviation LP *(aviation company)*	Audit Committee (Chair) Executive Committee Nominating Committee
R. Andy Miller St. John's, NL, Canada	2012	President of Andy Miller Consulting *(consulting company)*; board member of Baader Linco Inc. and Baader North America Corp. *(food processing machinery company)*; board member of the Canadian Centre for Fisheries Innovation *(non-profit organization)*; formerly CEO of Linco Food Systems A/S *(food processing machinery company)*	Audit Committee
Robert L. Pace Halifax, NS, Canada *Chairman since May 2019*	1998	Chairman (since May 2019) of High Liner Foods; President and CEO of The Pace Group Limited *(private holding company)*; Chairman of Maritime Broadcasting System *(owner/operator of radio stations)*; Chairman of the Canadian National Railway Company *(transportation and logistics company)*	Executive Committee (Chair) Nominating Committee
Frank B.H. van Schaayk Marion Bridge, NS, Canada	2014	Formerly Regional President - The Americas for McCain Foods Ltd. *(frozen food company)*; Chairman of the Board of Nova Scotia Health Authority *(provincial health authority)*	Nominating Committee (Chair) Executive Committee HRCG Committee

[1] This reflects the principal occupations held by each director in the last five years, unless otherwise disclosed.

8.2 Executive Officers

The following table sets forth the names, residences, and offices held by the executive officers of High Liner Foods as of February 26, 2020.

Name and Residence	Position Held with the Company
Rod Hepponstall Portsmouth, NH, USA	President & Chief Executive Officer (since May 2018); formerly Senior Vice President and General Manager of Foodservice & Retail Businesses of Lamb Weston Holdings Inc. *(food processor)*; formerly Vice President and General Manager, Foodservice of Conagra Foods *(packaged foods company)*; former board member of the International Foodservice Manufacturers Association *(trade association)*
Paul Jewer Halifax, NS, Canada	Executive Vice President and Chief Financial Officer (since February 2014); formerly Chief Financial Officer of Sobeys Inc. *(grocery and food distributor)*
Craig Murray Mississauga, ON, Canada	Senior Vice President Marketing & Innovation (since January 2018); former Vice President Foodservice Sales, Canada of High Liner Foods (April 2015 to January 2018); formerly Vice President of Sales of Mondelez International *(food and beverage company)*
Paul Snow Pleasantville, NS, Canada	Chief Supply Chain Officer (since August 2018); formerly Executive Vice President Global Procurement (March 2012 to August 2018)
Ron van der Giesen Halifax, NS, Canada	Senior Vice President, Supply Chain (since September 2019); formerly Owner of Darwin Supply Chain Solutions *(supply chain consulting business)* (December 2018 to September 2019); formerly Chief Operating Officer of McKeil Marine *(marine service provider)* (November 2017 to August 2018); formerly President of Global Supply Chain of Clearwater Seafoods *(seafood company)* (October 2014 to September 2017)
Timothy Rorabeck Halifax, NS, Canada	Executive Vice President, Corporate Affairs and General Counsel (since May 2012)
Johanne McNally-Myers Oakville, ON, Canada	Vice President, Human Resources (since April 2019); former Principal of JMM HR Consulting Inc (October 2017 to March 2019); Chief People Officer of HUB International Ontario Ltd. *(insurance brokerage)* (November 2016 to October 2017); Vice President Human Resources of Tim Hortons Inc. *(food and beverage company)* (December 2014 to February 2016)

As of December 28, 2019, the number of common shares of High Liner Foods beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of High Liner Foods as a group is 982,879, or approximately 2.9% of those issued and outstanding. In addition, Mr. David Hennigar is a director of Thornridge Holdings Limited, which holds 34.5% of the Company's issued and outstanding common shares.

8.3 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including a personal holding company) that:

A. was subject to an order (as defined in Form 51-102F2 of National Instrument 51-102 - Continuous Disclosure Obligations) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:

- Mr. David Hennigar who:
    i. was a director of Aquarius Coatings Inc. at the time Aquarius Coatings Inc. had a management cease trade order in place from December 12, 2008 to January 14, 2009 for failing to address TSX Venture Exchange requirements with respect to failing to hold shareholder meetings for the financial years ended March 31, 2007 and March 31, 2008;

ii. was a director of Aquarius Coatings Inc. whose shares were suspended from trading effective November 3, 2014 for failure to comply with Exchange Requirements;
iii. was a director of MedX Health Corp. at the time MedX Health Corp. had a management cease trade order in place from January 21, 2010 to February 26, 2010 for failing to hold its fiscal 2008 annual general meeting within the timeframes required by applicable corporate law and Exchange policy and a management cease trade order in place from May 6, 2010 to June 30, 2010 for failing to file its annual financial statements, Certification of filings under Multilateral Instrument 52-109 and its Management, Discussion and Analysis for the year ending December 31, 2009 on or before the prescribed deadline of April 30, 2010;
iv. was a director of Landmark Global Financial Corporation Limited at the time Landmark Global Financial Corporation Limited had a temporary cease trade order in place from May 7, 2012 for failing to file annual financial statements on time; and
v. was a director of SolutionInc Technologies Limited at the time SolutionInc Technologies Limited had a temporary cease trade order, issued by the British Columbia Securities Commission, in place from August 9, 2011 to August 24, 2011 for failing to file annual financial statements on time; had a cease trading order in place issued by the British Columbia Securities Commission on October 6, 2011 for failing to file June 30, 2011 quarterly financial statements on time and had a cease trading order in place issued by the Alberta Securities Commission on January 4, 2012 for failure to file September 30, 2011 quarterly financial statements on time; or

B. was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 - Continuous Disclosure Obligations) 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 director, chief executive officer or chief financial officer.

Except as otherwise noted herein, no director, executive officer, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company thereof:

A. is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or executive officer of any company (including a personal holding 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, other than Mr. David Hennigar who is a director of KLJ Field Services Inc., a private Nova Scotia company, which made an assignment in bankruptcy on February 25, 2009;

B. has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 trustee, executive officer or shareholder; or

C. has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

9. AUDIT COMMITTEE INFORMATION

9.1 Audit Committee Charter

The Company's Audit Committee Charter is attached as an appendix to this AIF.

9.2 Composition of the Audit Committee

The Audit Committee of High Liner Foods has four members: M. Jolene Mahody (Chair), Jill C. Hennigar, David J. Hennigar and R. Andy Miller.

Each member of the Audit Committee is both independent and financially literate.[2] The Nominating Committee of the Board determines whether each director is independent under applicable laws. For full biographies of these directors and the full discussion on independence, please see the Management Information Circular ("MIC") to be filed in connection with the Annual General Meeting of Shareholders to be held on May 12, 2020.

9.3 Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Ms. M. Jolene Mahody (Chair) is Executive Vice President & Chief Strategy Officer of Chorus Aviation Inc. She previously held the position of Executive Vice President & CFO of Chorus Aviation Inc. and prior to that Chief Operating Officer at Jazz Aviation LP, a subsidiary of Chorus Aviation Inc. Ms. Mahody is a Fellow of the Chartered Professional Accountants and also received her ICD.D designation through the Institute of Corporate Directors, Rotman School of Management. Ms. Mahody is the past Chair of the Board of Governors of Mount Saint Vincent University and serves on several other not-for-profit boards.

Ms. Jill C. Hennigar is Senior Manager Human Resources at Emera Inc. She previously held the position of Manager of Investor Relations at Emera Inc. Ms. Hennigar is a Chartered Professional Accountant.

Mr. David J. Hennigar is Executive Chairman of Thornridge Holdings Limited, and director of other public and private companies.

Mr. R. Andy Miller is a Board member of Baader Linco Inc. and Baader North America Corp., and a board member of the Canadian Centre for Fisheries Innovation. Mr. Miller has been associated with the Baader Linco Group for over 30 years. He is also the President of Andy Miller Consulting Limited which provides sales and marketing leadership and management consulting services to the Baader Group worldwide, and to other companies.

[2] "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

9.4 Audit Fees

The following table sets forth the fees paid to Ernst & Young LLP ("EY"), the Company's external auditor, by category, for the fiscal years ended December 28, 2019 and December 29, 2018.

		2019		2018
Audit fees[(1)]	$	496,829	$	524,557
Audit-related fees[(2)]		43,087		88,188
Non-audit related fees[(3)]		120,131		—
Tax compliance fees[(4)]		10,602		116,703
Tax consulting fees[(5)]		67,059		201,444
Total fees	**$**	**737,708**	**$**	**930,892**

(1) Audit fees were paid to EY for professional services rendered for the audit of the annual financial statements or review of quarterly financial statements of High Liner Foods and its subsidiaries or services provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees were paid to EY for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. These services primarily consisted of accounting advisory in connection with new standards implemented.

(3) Non-audit related fees were paid to EY for services related to operations and other projects unrelated to assurance or taxation services.

(4) Tax compliance fees were paid to EY for the review of original and amended tax returns and assistance with questions regarding tax audits and dealing with various tax authorities.

(5) Tax consulting fees were paid to EY for tax planning services associated with intercompany transactions and tax advice that is not reported under the tax compliance fees item above.

The Audit Committee approves all fees (for both audit and non-audit services) paid to the Company's auditors. Any engagement of EY for non-audit services must be approved in advance by the Audit Committee, considering whether the nature or extent of such services could detract from EY's independence in carrying out the audit function. In between meetings of the Committee, and provided the Committee is not in session, the Chair of the Audit Committee may perform this function, provided any approvals of the Chair shall be referred to the next meeting of the Audit Committee for ratification.

Accounting firms other than EY are also engaged when required to provide various services, including assisting with: due diligence, integration support services, investigation counseling and purchase price allocation issues in connection with acquisitions; taxation matters; tax compliance; accounting advisory; goodwill impairment valuations; 401(k) audits; and advice on certifying the Company's annual and interim filings in accordance with National Instrument 52-109.

10. CONFLICTS OF INTEREST

The Company is not aware of any existing or potential material conflicts of interest between High Liner Foods or a subsidiary of High Liner Foods and any director or officer of the Company or a subsidiary of the Company.

11. LEGAL PROCEEDINGS

During Fiscal 2019, the Company is not and has not been party to, and none of its property is or was the subject of, any legal proceedings which involved a claim for damages exceeding 10% of the Company's current assets, nor is the Company aware that any such legal proceedings are contemplated.

There were no penalties or sanctions imposed against the Company by, and no settlement agreements entered into by the Company with, a court relating to securities legislation or a securities regulatory authority during Fiscal 2019.

12. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction which has materially affected the Company in the past three financial years or the current financial year (or in any transactions or proposed transaction which is reasonably expected to materially affect High Liner Foods in the future).

13. INTERESTS OF EXPERTS

13.1 Names of Experts

The Company's auditor is Ernst & Young LLP Chartered Professional Accountants, who have prepared the Independent Auditors' Report to the shareholders of the Company in respect of its Annual Audited Consolidated Financial Statements.

13.2 Interests of Experts

Ernst & Young LLP Chartered Professional Accountants have confirmed that they are independent with respect to High Liner Foods in accordance with the Rules of Professional Conduct as outlined by Chartered Professional Accountants of Nova Scotia. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

14. TRANSFER AGENTS

The Company's transfer agent and registrar with respect to the shares of the Company is AST Trust Company. The register of the transfers for common shares is kept at their office in Halifax, NS, located at the following address:

AST Trust Company (Canada)
P.O. Box 2082, Station C
Halifax, Nova Scotia B3J 3B7
Tel: 1-800-387-0825 (toll-free in North America) or
1-416-682-3860 (all other countries)

15. MATERIAL CONTRACTS

The material contracts entered into by High Liner or its subsidiaries during the 2019 financial year or entered into prior to the most recently completed financial year, but after January 1, 2002, and that are still in effect, other than in the ordinary course of business, are as follows:

A. Acquisition of Rubicon Resources, LLC dated May 30, 2017. On May 30, 2017, High Liner Foods completed the acquisition of Rubicon Resources, LLC. After working capital adjustments and cash acquired as part of the acquisition, the purchase price was $100.6 million. The purchase consideration was settled in cash ($75.0 million), and in common shares ($25.8 million or 2.43 million shares). In addition, the transaction included a five-year supply agreement with Rubicon supply partners based on mutually acceptable terms.

B. Guarantee of Supplier Financing Arrangement, as part of the Rubicon acquisition, the Company assumed financing arrangement guarantees for certain suppliers that finance their exports of seafood products to Rubicon. As part of this financing arrangement, the Company has granted a security interest in substantially all of the inventory and proceeds thereon arising from purchases from these suppliers and has guaranteed the suppliers' borrowings, to the extent that such borrowings were used in connection with the exportation of seafood products to Rubicon.

C. High Liner Foods entered into the following financing arrangements on December 19, 2011 (with material amendments February 8, 2013, April 24, 2014 and October 16, 2019), which replaced term loan and working capital facilities in place at that time:

   a) A five year $180 million working capital facility entered into with Royal Bank of Canada as Administrative and Collateral Agent (originally) expiring December 19, 2016. This facility replaced all existing working capital debt facilities. The facility is asset based and is collateralized by the Company's inventory and accounts receivable and other personal property in Canada and the U.S., subject to a first charge on brands and trade names and related intangibles under the long-term debt facilities. The facility allows borrowings by way of Prime loans, Base Rate loans, LIBOR, or Canadian Bankers' Acceptances ("BA"). Prior to the amendments described below, interest rates and spreads depended on leverage, defined as Funded Debt to EBITDA. In certain circumstances the Company must maintain a fixed charge coverage ratio of 1.1x to 1.0x. Fixed charges include interest and debt repayments, capital lease payments and capital distributions, such as dividends or repurchase of shares under normal course issuer bids. Prior to the amendments described below, the facility allowed the Company to borrow Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 1.00%; BA loans at BA rates plus 1.75% to 2.50%; and LIBOR advances at LIBOR plus 1.75% to 2.50%. Standby fees are also required to be paid on the un-utilized line.

      - In February 2013, the working capital facility was amended to change interest rates on the facility to be based on availability on the line rather than a leverage test, which reduced interest rates. This facility provides for the following based on the Average Adjusted Aggregate Availability as defined in the credit agreement: Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 0.75%; BA loans at BA rates plus 1.75% to 2.25%; and LIBOR advances at LIBOR plus 1.75% to 2.25%. Changes also provided more flexibility for future acquisitions.
      - In April 2014, the working capital facility was amended and based on the Average Adjusted Aggregate Availability, as defined in the credit agreement, allowed the Company to borrow Canadian Prime Rate loans denominated in CAD, and Canadian Base Rate and U.S. Prime Rate loans denominated in USD, at Prime or Base Rate, plus 0.00% to 0.25%; BA loans at BA rates plus 1.25% to 1.75%; LIBOR advances at LIBOR plus 1.25% to 1.75; and unused line fees of 0.25% to 0.375%. Required fixed

charge coverage ratio was reduced to 1.0x to1.0x and applicable when Average Adjusted Aggregate Availability is less than the greater of (a) $18,000,000, and (b) an amount equal to ten percent (10%) of the lesser of (i) the Maximum Revolver Amount, and (ii) the Aggregate Borrowing Base. The term of this facility was extended from December 2016 to April 2019 and other changes provided for increased capacity and flexibility for acquisitions, investments, distributions, capital expenditures and operational matters.

- In April 2018, the Company amended the $180.0 million working capital facility to extend the term from April 2019 to April 2021. There were no other significant changes to the existing terms, other than an amendment to the standby fees paid on the unutilized facility to 0.25% (previously 0.25% to 0.375%).
- In October 2019, the Company amended the $180.0 million working capital facility to reduce the amount of the facility to $150.0 million and extend the term from April 2021 to April 2023. There were no other significant changes to existing terms.

b) On December 19, 2011, the Company secured a $250 million long-term loan. Secured on a first priority basis by substantially all tangible and intangible assets, and the assets and stock of its present and future subsidiaries. Repayments are to be made in twenty-three consecutive quarterly installments, with the unpaid balance due in full on December 19, 2017. Prior to the amendments described below, the agreement included financial covenant requirements of minimum interest coverage ratio, maximum total leverage ratio, and maximum capital expenditures.

- In February 2013, the term loan was amended to reduce interest rates and provide leverage covenants more favourable to the Company, including the elimination of a minimum interest coverage ratio.
- In April 2014, the term loan was amended with the following changes: the principal amount was increased to $300 million; the term was extended from December 2017 to April 2021; borrowing rates were reduced from LIBOR plus 3.50% (with a 1.25% LIBOR floor) to LIBOR plus 3.25% (with a 1.00% floor); the leverage ratio financial covenant was removed; and increased capacity and flexibility was provided for acquisitions, investments, distributions, capital expenditures and operational matters.
- In June 2017, the term loan facility was increased from $300.0 million to $370.0 million to facilitate the Rubicon Acquisition. The $70.0 million addition to the term loan was made in accordance with the term loan credit agreement, which provides for incremental increases that meet stated provisions, under existing terms and conditions.
- In October 2019, the term loan facility was amended to to reduce the amount of the facility from $370.0 million to $300.0 million, extend the term of the facility from April 2021 to October 2026, and to increase the applicable interest rate for loans under the facility from LIBOR plus 3.25% (LIBOR floor of 1.00%) to LIBOR plus 4.25% (LIBOR floor of 1.00%).

The agreements are filed, as required, as material documents under High Liner Foods' profile on SEDAR at www.sedar.com.

16. ADDITIONAL INFORMATION

Further information, including additional copies of this AIF, the comparative consolidated financial statements and accompanying report of the auditor, the most recent interim financial statements and the MIC for the Company's annual meeting for shareholders to be held on May 12, 2020, may be obtained on SEDAR at www.sedar.com or upon request from the Secretary of the Company at investor@highlinerfoods.com, or on the Company's website at www.highlinerfoods.com, or by writing to the Secretary at High Liner Foods Incorporated, P.O. Box 910, Lunenburg, NS, B0J 2C0.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and options to purchase securities, is contained in the Company's MIC, and additional financial information is provided in the Company's consolidated financial statements and MD&A for the fifty-two weeks ended December 28, 2019. All additional information referred to in this AIF may also be found on SEDAR at www.sedar.com.

17. FORWARD-LOOKING INFORMATION

This AIF contains forward-looking statements within the meaning of securities laws. In particular, these forward-looking statements are based on a variety of factors and assumptions that are discussed throughout this document. In addition, these statements and expectations concerning the performance of our business in general are based on a number of factors and assumptions including, but not limited to: availability, demand and prices of raw materials, energy and supplies; the condition of the Canadian and American economies; product pricing; foreign exchange rates, especially the rate of exchange of the CAD to the USD; our ability to attract and retain customers; our operating costs and improvement to operating efficiencies; interest rates; continued access to capital; the competitive environment and related market conditions; and the general assumption that none of the risks identified below or elsewhere in this document will materialize.

Specific forward-looking statements in this document include, but are not limited to: statements with respect to: future growth strategies and their impact on the Company's market share and shareholder value; anticipated financial performance, including earnings trends and growth; achievement, and timing of achievement, of strategic goals and publicly stated financial targets, including to increase our market share, acquire and integrate other businesses and reduce our operating and supply chain costs; and our ability to develop new and innovative products that result in increased sales and market share; increased demand for our products whether due to the recognition of the health benefits of seafood or otherwise; changes in costs for seafood and other raw materials; any proposed disposal of assets and/or operations; increases or decreases in processing costs; the USD/CAD exchange rate; percentage of sales from our brands; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance; competitor reaction to Company strategies and actions; impact of price increases or decreases on future profitability; sufficiency of working capital facilities; future income tax rates; levels of accretion and synergy and earnings growth relating to Rubicon; the expected amount and timing of integration activities related to acquisitions; expected leverage levels and expected Net Debt to Adjusted EBITDA; statements under the "outlook" heading including expected demand, sales of new product, the efficiency of our plant production and U.S. tariffs on certain seafood products imported from China; expected amount and timing of cost savings related to the optimization of the Company's structure; decreased leverage in the future; estimated capital spending; future inventory trends and seasonality; market forces and the maintenance of existing customer and supplier relationships; availability of credit facilities; our projection of excess cash flow and minimum repayments under the Company's long-term loan facility; expected decreases in debt-to-capitalization ratio; dividend payments; and amount and timing of the capital expenditures in excess of normal requirements to allow the movement of production between plants.

Forward-looking statements can generally be identified by the use of the conditional tense, the words "may", "should", "would", "could", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "goal", "remain" or "continue" or the negative of these terms or variations of them or words and expressions of similar nature. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking information. As a result, we cannot guarantee that any forward-looking statements will materialize. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause our actual results to differ materially from our current expectations are discussed in detail in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Risk Factors section of our 2019 Annual Report and the Risk Factors section of this AIF. The risks and uncertainties that may affect the operations, performance, development and results of High Liner Foods' business include, but are not limited to, the following factors: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on same; the impact of the USTR's tariffs on certain seafood products; costs of commodity products and other production inputs, and the ability to pass cost increases on to customers; successful integration of acquired operations; potential increases in maintenance and operating costs; shifts in market demands for seafood; performance of new products launched and existing products in the marketplace; changes in laws and regulations, including environmental, taxation and regulatory requirements; technology changes with respect to production and other equipment and software programs; enterprise resource planning system risk; adverse impacts of cybersecurity attacks or breach of sensitive information; supplier fulfillment of contractual agreements and obligations; competitor reactions; High Liner Foods' ability to generate adequate cash flow or to finance its future business requirements through outside sources; credit risk associated with receivables from customers; volatility associated with the funding status of the Company's post-retirement pension benefits; compliance with debt covenants; the availability of adequate levels of insurance; adverse weather conditions and natural disasters; and management retention and development.

Forward-looking information is based on management's current estimates, expectations and assumptions, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Except as required under applicable securities laws, we do not undertake to update these forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise.

Audit Committee Charter
(Reviewed December 2019)

Composition

1. The Committee shall consist of at least three outside directors, all of whom are independent and financially literate. [(1)]

2. The members' terms of appointment should coincide with the terms of appointment of other board committees and provide for continuity of membership, while at the same time allowing fresh perspectives to be added by periodic changes in the membership of the Committees.

3. The President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; Executive Vice President, Corporate Affairs and General Counsel; Vice President Finance; and Vice President Investor Relations and Communications; and the Director Internal Audit shall attend meetings of the Committee by invitation of the Chair.

Purpose

4. The Committee shall assist the Board of Directors in fulfilling its oversight responsibilities for:
   (a) The integrity of the Company's financial statements
   (b) The Company's compliance with legal and regulatory requirements
   (c) The Company's risk management structure and performance
   (d) The external auditor's qualifications and independence, and
   (e) The performance of the Company's internal audit function and external auditors.

Authority

5. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:
   (a) Appoint, compensate, and oversee the work of the external auditing firm employed by the Company to conduct the annual audit. The external auditors shall report directly to the Committee and attend every meeting.
   (b) Resolve any disagreements between management and the external auditor regarding financial reporting.
   (c) Pre-approve all auditing and permitted non-audit services performed by the external auditor, as set out below.
   (d) Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
   (e) Seek any information it requires from employees - all of whom are directed to cooperate with the Committee's requests - or external parties.
   (f) Meet with Company officers, external auditors, or outside counsel, as necessary.

Meetings

6. The Committee shall meet on a regular basis but at least four times a year. Special meetings shall be called at the request of the Chair, the external or internal auditors (including any external advisors engaged to perform such internal audit functions). The external auditors and representatives of the internal auditor and/or any third party engaged to perform the internal audit functions shall have the right to attend all meetings of the Committee.

7. All Committee members are expected to attend each meeting, in person or via teleconference.

8. The Committee shall meet privately with the external auditors and the Director Internal Audit at every meeting. The Committee will invite members of management to attend meetings and provide pertinent information as necessary, and will meet separately, at least quarterly, with management. It will also meet regularly *in camera*.

9. Meeting agendas will be prepared by the Secretary and provided in advance to members, along with appropriate materials. Minutes will be prepared.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements:

10. Review with management and the external auditors, and recommend for approval, all published financial information that requires approval by the Board of Directors. These would include interim statements, year-end audited statements, Management Discussion & Analysis, Annual Information Form, Annual Report as required, statements in prospectuses and other offering memoranda, as well as all news releases relating to financial or material information about the Company.

11. Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include complex or unusual transactions and highly judgmental areas, major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and the effect of regulatory or accounting initiatives on the financial statements of the Company.

12. Review with management and the external auditors the results of the external audits, including any difficulties encountered, restrictions on the auditor's work, the co-operation received in performance of the audit, and the audit findings. In addition, the Committee shall review any accruals, provisions or estimates that have a significant effect upon the financial statements as well as other sensitive matters such as disclosure of related party transactions.

13. Review with management, the external auditors and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, or any other matters, that could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements.

14. Review the certification of the Chief Executive Officer and Chief Financial Officer that: 1) the interim and annual financial statements, MD&A and AIF of the Company do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which they are made, not misleading; 2) the financial statements, together with other financial information in the MD&A and AIF, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer; 3) the internal controls of the issuer have been designed by or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that the Company's financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS); 4) the disclosure controls or procedures of the Company have been designed by or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that material

information is made known to him or her or to others within the Company.

15. Review all subsidiary company or special purpose audit reports, including those of pension funds, if any, as well as the minutes of all audit committee meetings of subsidiaries and any significant issues and auditor recommendations.

16. Consider any other matter that in its judgement shall be taken into account in reaching its recommendation to the Board of Directors concerning the approval of the financial information intended for publication.

External Auditing

17. The external auditors shall report directly to the Committee and shall attend every regular meeting of the Committee.

The Committee will carry out the following responsibilities:

18. Review and approve the engagement letter with the external auditors.

19. Review the audit plans of the external auditors, including the co-ordination of audit effort with internal auditing. The Committee shall enquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. Any significant recommendations made by the auditors for the strengthening of internal controls shall be reviewed and shall be discussed with management, if necessary.

20. Review the performance of the external auditors, and consider whether the external auditors shall be reappointed after obtaining management's view of the competency of the incumbent auditors and recommend accordingly to the Board of Directors.

21. Review and approve the Company's hiring policies regarding employees or former employees of the external auditor (or former auditors).

22. If the Committee considers a change in external auditors appropriate, articulate the reasons for the change, including the response of the incumbent auditors in its recommendation to the Board, and shall oversee the search for and appointment of newly proposed auditors before making a recommendation to the Board of Directors. The Committee shall review all issues related to a change in auditors under National Instrument 51-102.

23. Review and approve the basis and amount of the external auditors' fees in light of the number and nature of reports issued by the auditors, the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of the internal audit and other support provided by the Company to the external auditors.

24. Review the nature of any non-audit services proposed to be performed for the Company by the audit firm, and consider whether the nature or extent of such services could detract from the audit firm's independence in carrying out the audit function. The Committee shall pre-approve all non-audit service fees. In between meetings of the Committee, and provided the Committee is not in session, the Chairman of the Audit Committee may perform this function, provided any approvals of the Chairman shall be referred to the next meeting of the Audit Committee for ratification.

Internal Auditing and Control

25. The Director Internal Audit shall be instructed by management of the Company but shall report to the Audit Committee.

The Committee will carry out the following responsibilities:

26. Review with management the plans, activities, staffing and organizational structure of the internal audit function.

27. Ensure there are no unjustified restrictions or limitations, and shall review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit and/or any third party performing any internal audit function.

28. Review the effectiveness of the internal audit function, and shall meet regularly with the Director Internal Audit to discuss any matters that the Committee or the Director Internal Audit believes should be discussed privately.

29. Consider the effectiveness of the Company's internal control system, including information technology security and control and shall receive reports from the Information Security Governance Committee.

30. Understand the scope of internal review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. The Committee will inquire as to and investigate if necessary any significant deficiencies in the design or operation of internal controls.

Compliance

31. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

32. Request internal and external auditors to report any matters of which they are aware, that might be considered unethical or "on the fringe".

33. Establish and maintain procedures for the (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission of information by employee "whistle-blowers" regarding questionable accounting or auditing matters.

34. Review (a) material tax planning initiatives and compliance with tax, financial reporting laws and regulations; (b) the findings of any examinations by regulatory authorities; and (c) and any auditor observations regarding the foregoing.

35. Review and approve the Company's Code of Conduct and shall review the process for communicating the Code of Conduct to company personnel and for monitoring compliance with the Code.

36. Review the Corporate Disclosure Policy and ensure that there is a process in place to provide timely disclosure of material corporate events that would be of interest to investors and to prevent unauthorized disclosures of confidential information.

37. Obtain regular updates from management and company legal counsel regarding compliance matters.

Risk Management

38. Review annually and discuss with management the Company's Business Risk Management Policies, particularly the Price Risk Management Policy, and review quarterly the food safety program of the Company.

39. Review annually and discuss with management the Company's Risk Factors as disclosed in Management Discussion & Analysis and in the Annual Information Form.

40. Review compliance with the Company's Financing and Credit Risk Policies and review its credit risk profile annually.

41. Review the Company's insurance program for adequacy.

42. Review and approve the Company's disaster recovery plans and monitor management's implementation of such plans; annually assess the Company's disaster recovery readiness.

Other Responsibilities

43. Consider and, if appropriate, approve requests from individual Directors to retain independent advisors.

44. Review and approve the Chief Executive Officer's travel and professional expenses.

45. Institute and oversee special investigations as needed.

46. Review and assess the adequacy of this Charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law.

47. Confirm annually that all responsibilities outlined in this charter have been carried out.

Reporting

48. The full Board of Directors shall be kept informed of the Committee's activities by a report delivered by the Chair following each Committee meeting.

49. The Committee shall provide an open avenue of communication between internal audit, the external auditors, and the board of directors.

50. The Committee shall review any other reports the Company issues that relate to Committee responsibilities, including the required Audit Committee disclosure in the Annual Information Form, and the disclosure of Committee activities included in the Management Information Circular.

Environment

51. The Committee shall assess the degree of compliance of the Company with existing environmental legislation and, if there are any areas of non-compliance, assess whether senior management of the Company has put in place procedures to bring the Company into compliance and report when necessary to the Board of Directors.

52. The Committee shall review and report to the Board of Directors where necessary all environmental incidents and all remedial orders regarding infractions or alleged infractions issued by a government authority which have been received since the previous communication with the Committee.

53. The Committee shall assess whether the Company has in place remedial and contingency plans for environmental occurrences such as spills, leaks, or other discharges of pollutants.

54. The Committee shall assess whether the Company is doing ongoing environmental audits and review, training and prevention programs at its various facilities.

55. The Committee shall determine whether the establishment, and periodic review, of appropriate internal authorities to act in the case of serious environmental occurrences are in place.

56. The Committee shall receive reports on and assess whether there are any potential sources of emissions or pollutants, risks of sudden discharge, etc and whether appropriate safeguards are in place to deal with these risk situations.

57. The Committee shall assess whether there are procedures to promote environmental awareness within the Company including education and training programs regarding risk management, response and reporting responsibilities.

58. The Committee shall determine whether executive officers and management are involved in and knowledgeable about existing risk management systems.

59. The Committee shall receive reports from each of the employee Environment Steering Committee on environmental conditions on a regular basis.

60. The Committee shall review at least annually the Company's Environmental Management Policy and approve any changes to such policies.

Experts and Advisors

61. The Committee may, in consultation with the Chair of the Board, engage and compensate any outside advisor that it determines necessary in order to carry out its duties.

Limitation on Authority

62. Nothing articulated herein is intended to assign to the Committee the Board's responsibility to oversee the Company's compliance with the applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or members of the Committee.

(1) "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.