

SUNOPTA INC  
Form DEF 14A  
April 17, 2006

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

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

Check the appropriate box:

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

**SunOpta Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**SunOpta Inc.**

2838 Bovaird Drive West

Brampton, Ontario, Canada L7A 0H2

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 17, 2006**

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

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

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

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

All shareholders are cordially invited to attend the meeting.

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

By Order of the Board of Directors

Jeremy N. Kendall  
Chairman and Chief Executive Officer

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

**SUNOPTA INC.**

2838 Bovaird Drive West

Brampton, Ontario, Canada

L7A 0H2

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**INFORMATION CIRCULAR and PROXY STATEMENT**

**SOLICITATION AND REVOCATION OF PROXIES**

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

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

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

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

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

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

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

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

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

### **VOTING SECURITIES**

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

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

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### **Item 1 - ELECTION OF DIRECTORS**

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

The following are Management's nominees:

**a) Identification of Directors:**

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

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

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

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

**b) Committees of the Board:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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Claridge Inc.

1170 Peel Street, Suite 800

Montreal, QC H2B 2T5 (2)

The Charles Bronfman Trust

Franklin Resources Inc.

All Directors and Executive Officers

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

as a group (twelve)

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

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

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

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

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

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

**EXECUTIVE COMPENSATION**

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

**SUMMARY COMPENSATION TABLE**

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