



The Dutch Girl Merger Update

Issue 1

January 2004

This special newsletter is to provide Schneider Foods' employees with an update on the status of our pending merger with Maple Leaf Foods.

Competition Bureau Review and Restrictions on Pre-Close Activities:

The proposed merger is still under review by the Competition Bureau and we expect the Bureau will complete its review in the first quarter of 2004. The merger will not close until we receive Competition Bureau clearance.

Until the merger is approved and closes we remain strong competitors in the market and must operate as independent businesses. But just as important we must also be seen by third parties, including customers and suppliers, to be operating as separate businesses. As a general rule, Maple Leaf Foods and Schneider Foods employees are prohibited from sharing information that is proprietary or competitively sensitive in nature.

As a result, there are many restrictions on activities Maple Leaf Foods, Schneider Foods, and the Merger Leadership Council may engage in prior to the merger closing. The Merger Leadership Council is only engaging in activities that are essential to prepare for closing.

We know that people want to know what is happening regarding the merger and the Merger Leadership Council is committed to regular communications. Between our two companies we have approximately 23,000 employees who need to be kept informed, and this newsletter will help make this happen. Communications will play a much greater role once the transaction closes.

Merger Objectives:

The Merger Leadership Council approved the high level objectives for the merger once it closes. They are as follows:

Define and achieve the vision for the new organization – what do we want to achieve together?

Maintain our business results throughout the process – we must stay focused on growing our current businesses and meeting our near term goals

Keep our people motivated and supportive – we need to retain and develop our talent to achieve our business potential

Minimize anxiety about future change – by completing the merger as quickly as possible but walking - not running down the path

Communicate regularly with all stakeholders – open communications are a critical part of respecting our employees and other stakeholders and keeping them informed

While the Merger Leadership Council is setting up committees to do some of the preparatory work, they are composed of a very limited number of senior staff and are only involved in approved activities that are considered essential at this early stage. For example, some teams like Information Systems, are up and running in order to allow our companies to easily communicate through internal e-mail as soon as the transaction closes.



Information: 1-888-558-9410
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The role of the committees is to assist the Merger Leadership Council to move forward with various merger activities. They will change over time – new ones will be added, some may complete their mandate earlier in the process, and some may have their mandate expanded once the merger closes. Here are some of the Committees that have been organized:

Committee	Champion / Executive Sponsor
Human Resources	Wayne Johnson (VP HR Maple Leaf Foods) Wayne Short (Director HR Schneider Foods)
Information Systems	Gerry Hooper (CFO Schneider Foods) Mike Vels (Executive VP Finance, Maple Leaf Foods)
Communications/Culture	Lynda Kuhn (VP Public & Investor Relations, Maple Leaf Foods) Wayne Short (Director HR Schneider Foods)
Finance and Treasury	Gerry Hooper (CFO Schneider Foods) Mike Vels (Executive VP Finance Maple Leaf Foods)

Merger Leadership Council

The Merger Leadership Council is comprised of five individuals from our organization and five Maple Leaf Foods employees. Schneider Foods is represented on the Leadership Council by:

- **Doug Dodds**
- **Anne Fontana**
- **Gerry Hooper**
- **Paul Lang**
- **Wayne Short**

Here's some background on the people from Maple Leaf Foods who make up the rest of the Merger Leadership Council:

Maryanne Chantler: Maryanne joined Maple Leaf in 1996 and was the VP Six Sigma for Maple Leaf Consumer Foods. She is now transitioning to the role of VP, Merger Program Office. Prior to joining Maple Leaf, she worked at Ernst & Young and Procter & Gamble.

Wayne Johnson: Wayne is Vice President Human Resources for Maple Leaf and has been a key driver of the leadership development culture. Prior to joining Maple Leaf in 1996 he held senior positions at Stentor Resources, Deloitte & Touche, and Royal Trust.

Lynda Kuhn: Lynda is Vice President, Public and Investor Relations for Maple Leaf and is responsible for communications, investor and public relations. Prior to joining Maple Leaf in 2002, she worked in aboriginal economic development and the environmental industry.

Mike Vels: Mike is Executive Vice President Finance for Maple Leaf Foods. Before joining the company in 1991, he specialized in mergers and acquisitions at a CA firm in London, England. Mike obtained his accounting designation in South Africa.

Rick Young: Rick is President of Maple Leaf Consumer Foods. He began his career 25 years ago with Canada Packers, one of Maple Leaf Foods' predecessor companies. He was appointed to his current position in 2000.

Q&A

Why is the Competition Bureau taking so long to review? When do we expect to receive their decision?

We are working through the Bureau's questions and we have addressed each one of them so far. They are being very thorough in their review, which takes time. We expect to get a final decision by mid-March, as the transaction is scheduled to close by the end of March.

