
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 28, 2018

SUNOPTA INC.

(Exact name of registrant as specified in its charter)

Canada
*(State or other jurisdiction of
incorporation)*

001-34198
(Commission File Number)

Not Applicable
*(IRS Employer Identification
No.)*

**2233 Argentia Road, Suite 401
Mississauga, Ontario, L5N 2X7, Canada**
(Address of Principal Executive Offices)

(905) 821-9669
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Retention Agreement

On March 28, 2018, the Compensation Committee of the Board of Directors of SunOpta Inc. (the "Company") approved the terms and conditions of a Letter Agreement between the Company and Robert McKeracher, the Chief Financial Officer of the Company (the "Retention Agreement"). The Retention Agreement provides that if Mr. McKeracher voluntarily remains an employee of the Company through the later of (i) the date the Company's Annual Report on Form 10-K for the fiscal year ending December 28, 2019 is filed with the Securities and Exchange Commission or (ii) March 31, 2020 (the latest of such dates to occur being referred to in the Retention Agreement as the "Retention Date"), he will receive a retention bonus equivalent to sixty percent (60%) of his annual base salary as of the Retention Date (the "Retention Bonus"). The Retention Bonus will be comprised of a 50% cash payment and 50% of a grant of Restricted Stock Units. The cash portion of the Retention Bonus, less all applicable withholdings, will be paid to Mr. McKeracher on the first regular payroll date following the Retention Date. The Restricted Stock Units will be issued within ten (10) days after the date of the Retention Agreement and will vest on the Retention Date if Mr. McKeracher is entitled to receive the Retention Bonus.

If the Company terminates Mr. McKeracher's employment without Cause (as defined in the Retention Agreement) prior to the Retention Date, he will be paid the entire cash amount of the Retention Bonus on the first regular payroll date following the date of termination of his employment and his Restricted Stock Units will vest immediately as of the termination date of his employment. The Retention Agreement also provides that, on the Retention Date, Mr. McKeracher may elect to voluntarily terminate his employment and receive the severance payment as defined in his executive employment agreement with the Company dated October 10, 2011 (the "Severance Payment"). If Mr. McKeracher voluntarily terminates his employment with the Company at any time prior to or following the Retention Date, he will not be entitled to receive the Severance Payment. If the Company terminates Mr. McKeracher's employment without Cause at any time prior to, on or following the Retention Date, he will be entitled to receive the Severance Payment.

The Retention Agreement further provides that if Mr. McKeracher elects to voluntarily terminate his employment on the Retention Date or the Company terminates his employment without Cause prior to, on or following the Retention Date, he will continue to be eligible for any payments earned or owing under the applicable Short-Term Incentive Plan ("STIP") for (i) any earned but not yet paid STIP for the prior fiscal year; and (ii) a pro-rata portion of his 2018 or 2019 STIP based upon his termination date subject to a payout to senior leaders under the STIP for that year. In addition, the Retention Agreement provides that if Mr. McKeracher elects to voluntarily terminate his employment on the Retention Date (whether or not the Company elects to waive his resignation notice requirement) or the Company terminates his employment without Cause prior to, on or following the Retention Date (i) any long-term incentive grants awarded to him as of the date of the Retention Agreement shall continue to vest through May 24, 2020 and (ii) any vested options can be exercised through the earlier of the expiration date of the option or June 24, 2020.

The foregoing summary of the Retention Agreement is qualified in its entirety by the text of the Retention Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) *Exhibits*

The list of exhibits in the Exhibit Index is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUNOPTA INC.

By: /s/ Jill Barnett _____

Jill Barnett
Vice President and General Counsel

Date: March 30, 2018

EXHIBIT INDEX

Exhibit **Description**

No.

10.1 [Letter Agreement, dated March 28, 2018, between Robert McKeracher and SunOpta Inc.](#)



March 28, 2018

Robert McKeracher
[Address Omitted]

Dear Rob,

As we continue transforming our business under the Value Creation Plan, your leadership and commitment to the organization is essential. The purpose of this letter is to confirm the understanding between you and SunOpta regarding your employment as we continue our journey and build upon our efforts in 2018 and beyond.

If you voluntarily remain employed with SunOpta through the later of (i) the date SunOpta's Annual Report on Form 10-K for the fiscal year ending December 28, 2019 is filed with the Securities and Exchange Commission or (ii) March 31, 2020 (the latest of such dates to occur being referred to herein as the "Retention Date"), you will receive a retention bonus equivalent to sixty percent (60%) of your annual base salary as of the Retention Date (the "Retention Bonus"). The Retention Bonus shall be comprised of a 50% cash payment and 50% of a grant of Restricted Stock Units. The cash portion of the Retention Bonus, less all applicable withholdings, will be paid to you on the first regular payroll date following the Retention Date. The Restricted Stock Units shall be issued within ten (10) days after the date of this letter and shall vest on the Retention Date if you are entitled to receive the Retention Bonus.

If SunOpta terminates your employment without "Cause" prior to the Retention Date, you will be paid the entire cash amount of the Retention Bonus on the first regular payroll date following the date of termination of your employment and your Restricted Stock Units will vest immediately as of the termination date of your employment. For purposes of this letter, "Cause" means: (i) your engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to SunOpta; (ii) your embezzlement, misappropriation or fraud whether or not related to your employment with SunOpta; or (iii) your conviction of or plea of guilty or *nolo contendere* to a crime that constitutes an indictable or felony offence (excluding driving offences) or a crime that constitutes a misdemeanor involving moral turpitude.

On the Retention Date you may elect to voluntarily terminate your employment and receive the severance payment as defined in your executive employment agreement with SunOpta dated October 10, 2011 (the "Severance Payment"). If you voluntarily terminate your employment with SunOpta at any time prior to or following the Retention Date, you will not be entitled to receive the Severance Payment. If SunOpta terminates your employment without Cause at any time prior to, on or following the Retention Date, you will be entitled to receive the Severance Payment.

If you elect to voluntarily terminate your employment on the Retention Date or SunOpta terminates your employment without Cause prior to, on or following the Retention Date, you will continue to be eligible for any payments earned or owing under the applicable Short-Term Incentive Plan ("STIP") for (i) any earned but not yet paid STIP for the prior fiscal year; and (ii) a pro-rata portion of your 2018 or 2019 STIP based upon your termination date subject to a payout to senior leaders under the STIP for that year. The payment of STIP, if any, will be paid out to you in accordance with the normal payout timeframe for all employees.

Lastly, it is agreed that if you elect to voluntarily terminate your employment on the Retention Date (whether or not SunOpta elects to waive your resignation notice requirement) or SunOpta terminates your employment without Cause prior to, on or following the Retention Date (i) any long-term incentive grants awarded to you as of the date of this letter shall continue to vest through May 24, 2020 and (ii) any vested options can be exercised through the earlier of the expiration date of the option or June 24, 2020. In the event of a conflict between the terms of this letter and any applicable award agreement or stock incentive plan document, the terms of this letter will control.

Respectfully,

/s/ David Colo

David Colo
President and CEO

I agree to the above conditions of employment.

/s/ Robert McKeracher
Employee Signature

March 28, 2018
Date
