CORBY DISTILLERIES LIMITED

A leading Canadian Manufacturer and Marketer of Spirits and Importer of Wines since 1859

Notice of Annual Meeting of Shareholders

and

Management Proxy Circular

(for the year ended June 30, 2009)

Affiliated with Pernod Ricard

Dear Shareholder,

You are cordially invited to attend the annual meeting of shareholders of Corby Distilleries Limited, which will be held on Thursday, November 12, 2009, at 11:00 a.m. (Toronto time), at the TSX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

The items of business to be acted upon are set forth in the accompanying Notice of Meeting and the Management Proxy Circular.

Following the meeting, you will have an opportunity to meet your directors and the executives of Corby Distilleries Limited.

Sincerely yours,

R. Patrick O'Driscoll
President and Chief Executive Officer

September 21, 2009

CORBY DISTILLERIES LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the "Meeting") of Corby Distilleries Limited (the "Corporation") will be held at the TSX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Thursday, November 12, 2009, at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended June 30, 2009, together with the report of the auditors thereon;

2. to elect the directors of the Corporation;

3. to appoint the auditors of the Corporation for fiscal year 2010 at a remuneration to be fixed by the Board of Directors of the Corporation; and

4. to transact such other business as may properly be brought before the Meeting and at any adjournments thereof.

A copy of the Management Proxy Circular accompanies this Notice.

BY ORDER OF THE BOARD OF DIRECTORS

Marc A. Valencia
Vice-President, General Counsel,
Corporate Secretary and Chief Privacy Officer

Toronto, Ontario
September 21, 2009

YOUR VOTE IS IMPORTANT
It is important that as many shares as possible be represented and voted at the Meeting. Shareholders who are unable to attend the Meeting in person are respectfully requested to complete and return the enclosed form of proxy in the envelope provided for that purpose prior to 5:00 p.m. on November 10, 2009. You may also vote by telephone or via the internet. Please see instructions on your form of proxy.

CORBY DISTILLERIES LIMITED

Management Proxy Circular

SOLICITATION OF PROXIES

This Management Proxy Circular is sent in connection with the solicitation of proxies by the management of Corby Distilleries Limited (the "Corporation" or "Corby") for use at its annual meeting of shareholders of the Corporation (the "Meeting") to be held on Thursday, November 12, 2009, at 11:00 a.m. (Toronto time) at the TSX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, and for the purposes set forth in the Notice of Meeting accompanying this Management Proxy Circular and any adjournment thereof. Except as otherwise stated, the information herein is given as of September 21, 2009. The cost of solicitation will be borne by the Corporation. The solicitation of proxies will be by mail.

Appointment of Proxies

A registered shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a shareholder of the Corporation), other than management's nominees whose names are printed in the accompanying form of proxy, to attend and act for the registered shareholder and on the registered shareholder's behalf at the Meeting or any adjournment thereof, which right may be exercised by striking out the names of the persons designated and by inserting such other person's name in the blank space provided for that purpose in the form of proxy.

Revocability of Proxy

A registered shareholder who executes and returns the accompanying form of proxy, in addition to revocation in any other manner permitted by law, may revoke it by instrument in writing executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized. Such instrument must be deposited either at the registered office of the Corporation, 225 King Street West, Suite 1100, Toronto, Ontario M5V 3M2, at any time up to and including the last two business days preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Voting of Shares Represented by Management Proxy

Voting Class A Common Shares represented by proxies in the accompanying form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Voting Class A Common Shares will be voted accordingly.

If no contrary instruction is specified, such shares will be voted for the election as directors of the persons named and for the appointment as auditors of the firm named under the headings "Election of Directors" and "Appointment of Auditors", respectively.

The form of proxy also confers discretionary voting authority on those persons designated therein with respect to amendments to the proposals identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. If such amendments or other matters properly come before the Meeting, the management nominees designated in such form of proxy will vote the Voting Class A Common Shares represented thereby at their discretion, in respect of such amendments or other matters.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 24,274,320 Voting Class A Common Shares, without nominal or par value, of the Corporation issued and outstanding, such shares being the only shares of the Corporation entitled to be voted at the Meeting. The Board of Directors has fixed September 21, 2009, as the record date (the "Record Date") for the purpose of determining registered shareholders entitled to receive notice of the Meeting. Each registered shareholder is entitled to one vote for each Voting Class A Common Share held. Entitlement to vote is determined by reference to registration of the registered holder of Voting Class A Common Shares as at the Record Date.

To the knowledge of the directors and officers of the Corporation, Hiram Walker & Sons Limited beneficially owns or exercises control or direction over shares carrying more than 10% of the voting rights attached to the shares of the Corporation, owning 12,527,664 shares representing 51.6% of the issued and outstanding Voting Class A Common Shares of the Corporation.

In addition and to the knowledge of the directors and officers of the Corporation, Jarislowsky, Fraser Limited exercises control or direction over shares carrying more than 10% of the voting rights attached to the shares of the Corporation, exercising control or direction over 3,129,512 shares representing 12.89% of the issued and outstanding Voting Class A Common Shares of the Corporation.

BUSINESS OF THE MEETING

Financial Statements

The Corporation's audited consolidated financial statements for the year ended June 30, 2009, and the report of the auditors thereon are included in the 2009 Annual Report, which has been mailed to the shareholders with this Management Proxy Circular.

Election of Directors

Shareholders will be asked to vote on the election of the Board of Directors. The nine nominees proposed for election are listed under the heading "Nominees for Election to the Board of Directors" beginning on page 3. Except where authority to vote for the election of directors is withheld, the persons named in the accompanying form of proxy will, unless otherwise instructed, vote in favour of the election of the nominees listed below. Management of the Corporation does not contemplate that any of the nominees will be unable, or for any reason, unwilling to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless he or she shall resign or his or her office becomes vacant by death, removal or other circumstance. More detailed information regarding the election of directors is set out under the heading "Election of Directors", below.

Appointment of Auditors

Shareholders will be asked to vote for the appointment of the auditors and the authorization of the directors to fix the remuneration of the auditors. Deloitte & Touche LLP are the Corporation's auditors and have so served since 2006. Except where authority to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy will vote in favour of the appointment of Deloitte & Touche LLP. The appointment of Deloitte & Touche LLP will be decided by a simple majority of votes at the Meeting.

ELECTION OF DIRECTORS

The articles of the Corporation provide that the Board of Directors shall consist of a minimum of eight and a maximum of 15 directors who are to be elected annually. The Board has fixed at nine the number of directors to be elected at the Meeting. It is proposed to nominate for election as directors of the

Corporation the nine persons listed below for the Board of Directors. All of the nominees are currently directors of the Corporation, except for Mr. Donald V. Lussier, who was identified and recommended by the Corporate Governance & Nominating Committee ("CG&NC") to the Board in accordance with the practice described in the Corporation's Statement of Corporate Governance Practice, attached as Appendix "A". Mr. William Sheffield is not standing for re-election. Although, Messrs. Dréano, O'Driscoll and Pourchet are currently directors of the Corporation, they are being considered for election as directors at the Meeting for the first time.

Majority Voting

On August 19, 2008, the Board of Directors adopted a policy, which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election is required to tender his or her resignation. This policy applies only to uncontested elections, which are elections in which the number of nominees for director is equal to the number of positions available on the Board of Directors. The CG&NC will consider the resignation offer and will recommend to the Board of Directors whether or not to accept it. The CG&NC will be expected to recommend accepting the resignation, except in situations where extenuating circumstances would warrant the applicable director to continue to serve on the Board of Directors. The Board of Directors will act on the CG&NC's recommendation within 90 days following the applicable annual meeting and will promptly disclose by press release its decision whether to accept the director's resignation offer, including the reasons for rejecting the resignation offer, if applicable.

The following table sets out the names of the proposed nominees for election as directors, together with information regarding each nominee. The record of attendance by directors at meetings of the Board and its committees during the fiscal year 2009 is set out on page 7 under the heading "Meetings Held and Attendance of Directors". For further information relating to the current directors, please see the section entitled "Directors and Officers" in the Corporation's 2009 Annual Information Form.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

<table>
<tr><td rowspan="8">George F. McCarthy(1)(3)(5)
Connecticut, U.S.A.
Age: 72

Director since:
June 20, 1993</td><td colspan="5">Mr. George McCarthy has been the Chairman of the Board of Corby since 1999. Mr. McCarthy was President of The Americas, Allied Domecq Spirits & Wine, from 1995 to 2000, and President of North America, Allied Domecq Spirits & Wine, from 1993 to 1995. He was President of Joseph E. Seagram & Sons Limited in Montréal, Québec, from 1991 to 1993, and President of Seagram Far East from 1988 to 1991. Prior to joining Seagram, he served in executive positions with The Pillsbury Company, as well as in various sales and marketing positions with Heublein Inc. and E & J Gallo Winery.</td></tr>
<tr><td colspan="3">Board and Committee Membership and Attendance</td><td>#</td><td>%</td></tr>
<tr><td colspan="3">Board of Directors
Audit Committee
Corporate Governance & Nominating Committee
Independent Committee</td><td>9 of 9
5 of 5
5 of 5
10 of 10</td><td>100
100
100
100</td></tr>
<tr><td colspan="5">Other Board Memberships</td></tr>
<tr><td colspan="5">N/A</td></tr>
<tr><td colspan="5">Securities Held or Controlled</td></tr>
<tr><td>Voting Class A Common Shares as at June 30, 2008</td><td>Voting Class A Common Shares as at June 30, 2009</td><td>Net Change in Equity Ownership</td><td colspan="2">Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)</td></tr>
<tr><td>8,205</td><td>9,155</td><td>950</td><td colspan="2">$143,276</td></tr>
</table>

Claude Boulay(3)(4)
Québec, Canada
Age: 47

Director since:
July 1, 2008

Mr. Claude Boulay is external legal counsel of Pernod Ricard Americas. Mr. Boulay has served as external legal counsel and corporate secretary of Pernod Ricard Canada Ltée, since 1996.

Board and Committee Membership and Attendance	#	%
Board of Directors	9 of 9	100
Corporate Governance & Nominating Committee	4 of 5	80
Retirement Committee	2 of 2	100

Other Board Memberships

Seagram China Ltd.
Allied Domecq (Canada) Ltd.
Hiram Walker–Gooderham & Worts Ltd.
Hiram Walker & Sons Limited
Pernod Ricard Canada Ltée

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
0*	0*	0	$0

Philippe A. X. Dréano (2)
New York, U.S.A.
Age: 52

Director since:
August 26, 2009

Mr. Philippe Dréano is Chairman and Chief Executive Officer of Pernod Ricard Americas. Mr. Dréano was Chairman and Chief Executive Officer of Pernod Ricard Asia, since 2000, after serving as Chairman and Chief Executive Officer of Pernod Ricard Japan, since 1996. Mr. Dréano joined Pernod Ricard as Marketing Manager in 1989.

Board and Committee Membership and Attendance	#	%
N/A	N/A	N/A

Other Board Memberships

N/A

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
0*	0*	0	$0

Robert L. Llewellyn(1)(2)(3)(4)(5)
South Carolina, U.S.A.
Age: 68

Director since:
January 20, 1999

Mr. Robert Llewellyn is a corporate director. Mr. Llewellyn was Senior Vice-President, Marketing & Sales, of Rothmans, Benson & Hedges, from 1990 to 1999.

Board and Committee Membership and Attendance	#	%
Board of Directors	9 of 9	100
Audit Committee	5 of 5	100
Corporate Governance & Nominating Committee	4 of 4	100
Independent Committee	10 of 10	100
Management Resources Committee	3 of 3	100
Retirement Committee	2 of 2	100

Other Board Memberships

N/A

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
2,854	2,403	(451)	$37,607

Donald V. Lussier(1)(3)(5)
Manitoba, Canada
Age: 60

Proposed Nominee

Mr. Donald Lussier was President and Chief Executive Officer of the Manitoba Liquor Control Commission ("MLCC"), from 2001 to 2009. During his 35 years at the MLCC, Mr. Lussier held a number of positions in marketing, retail, purchasing and distribution. Prior to joining the MLCC, Mr. Lussier was employed with the Manitoba Government, Department of Finance, and in Ottawa with the Ministry of Transport in Corporate Planning.

Board and Committee Membership and Attendance	#	%
N/A	N/A	N/A

Other Board Memberships

Canadian Automobile Association, Manitoba
National Board of the Canadian Automobile Association

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
0	0	0	$0

Patricia L. Nielsen(1)(2)(5)
Ontario, Canada
Age: 54

Director since:
November 14, 2000

Ms. Patricia Nielsen is President and Chief Executive Officer of Canadian Automobile Association, Niagara. Ms. Nielsen was Chief Executive Officer of Maxxam Analytics Corporation, from 2002 to 2006. She was President and Chief Executive Officer of GE Capital IT, from 1993 to 1999.

Board and Committee Membership and Attendance	#	%
Board of Directors	8 of 9	89
Audit Committee	4 of 5	80
Independent Committee	10 of 10	100
Management Resources Committee	3 of 3	100

Other Board Memberships

N/A

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
11,203	11,750	547	$183,888

R. Patrick O'Driscoll (4)
Ontario, Canada
Age: 49

Director since:
July 1, 2009

Mr. Patrick O'Driscoll was appointed President and Chief Executive Officer of Corby on July 1, 2009. Prior to this appointment, Mr. O'Driscoll was President and Chief Executive Officer of Malibu-Kahlúa International, from 2007 to 2009, after serving as Commercial Director of Chivas Brothers, since January 2002. He joined Pernod Ricard as Marketing Manager of Campbell Distillers, in 1992. Prior to joining Pernod Ricard, Mr. O'Driscoll held various positions with International Distillers & Vintners, since 1985.

Board and Committee Membership and Attendance	#	%
N/A	N/A	N/A

Other Board Memberships

N/A

Securities Held or Controlled

Voting Class A Common Shares as at June 30, 2008	Voting Class A Common Shares as at June 30, 2009	Net Change in Equity Ownership	Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)
0	0	0	$0

<table>
<tr><td rowspan="9">Thierry R. J. M. Pourchet(3)(4)
Ontario, Canada
Age: 44

Director since:
August 1, 2009</td><td colspan="4">Mr. Thierry Pourchet was appointed Vice-President and Chief Financial Officer of Corby on August 1, 2009. Mr. Pourchet was Chief Operating Officer of Malibu-Kahlúa International, from 2008 to 2009, in addition to Chief Financial Officer of Malibu-Kahlúa International, from 2005 to 2009. Mr. Pourchet held a number of financial positions with the Pernod Ricard Group, from 1993 to 2005. Prior to joining Pernod Ricard, he held various positions with Arthur Andersen, since 1990.</td></tr>
<tr><td colspan="3">Board and Committee Membership and Attendance</td><td>#</td></tr>
<tr><td colspan="3">N/A</td><td>N/A</td></tr>
<tr><td colspan="4">Other Board Memberships</td></tr>
<tr><td colspan="4">N/A</td></tr>
<tr><td colspan="4">Securities Held or Controlled</td></tr>
<tr><td>Voting Class A Common Shares as at June 30, 2008</td><td>Voting Class A Common Shares as at June 30, 2009</td><td>Net Change in Equity Ownership</td><td>Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)</td></tr>
<tr><td>0</td><td>0</td><td>0</td><td>$0</td></tr>
</table>

<table>
<tr><td rowspan="9">Frédéric A. Villain(1)
New York, U.S.A.
Age: 37

Director since:
August 18, 2005</td><td colspan="5">Mr. Frédéric Villain is Chief Financial Officer of Pernod Ricard Americas. Mr. Villain was a director and Vice-President, Finance and Administration, of Pernod Ricard Canada, from 2004 to 2006, and Vice-President, Finance, of Pernod Ricard China, from 2002 to 2004. Mr. Villain joined Pernod Ricard as Audit and Development Manager in 1998.</td></tr>
<tr><td colspan="3">Board and Committee Membership and Attendance</td><td>#</td><td>%</td></tr>
<tr><td colspan="3">Board of Directors
Audit Committee</td><td>7 of 9
5 of 5</td><td>78
100</td></tr>
<tr><td colspan="5">Other Board Memberships</td></tr>
<tr><td colspan="5">N/A</td></tr>
<tr><td colspan="5">Securities Held or Controlled</td></tr>
<tr><td>Voting Class A Common Shares as at June 30, 2008</td><td>Voting Class A Common Shares as at June 30, 2009</td><td>Net Change in Equity Ownership</td><td colspan="2">Market Value of Equity Holdings as at June 30, 2009 ($15.65/share)</td></tr>
<tr><td>0*</td><td>0*</td><td>0</td><td colspan="2">$0</td></tr>
<tr><td colspan="6">*Directors of the Corporation who are acting as Pernod Ricard's nominees hold no shares in the capital of Corby.</td></tr>
<tr><td colspan="6">(1) Member of the Audit Committee
(2) Member of the Management Resources Committee
(3) Member of the Corporate Governance & Nominating Committee
(4) Member of the Retirement Committee
(5) Member of the Independent Committee</td></tr>
</table>

The information as to the Voting Class A Common Shares of the Corporation beneficially owned or over which control or direction is exercised has been furnished by the respective nominees, each of whom has advised that he or she does not beneficially own, directly or indirectly, or exercise control or direction over any Non-Voting Class B Common Shares of the Corporation.

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS

Cease Trade Orders

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within the last 10 years has been, a director, chief executive officer or chief financial officer of any company that: (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (b) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer, but which resulted from an event that occurred while that person was acting in that capacity, except for the following:

Between April 3, 2006 and May 3, 2006, Mr. William Sheffield, who was then a director of Royal Group Technologies Limited, was prohibited from trading in securities of Royal Group Technologies Limited pursuant to a management cease trade order issued by the Ontario Securities Commission in connection with the delay in filing of certain of Royal Group Technologies Limited's financial statements.

Meetings Held and Attendance of Directors

The following table summarizes the Board and committee meetings held during the year ended June 30, 2009, and the attendance of the directors of the Corporation at such meetings. Of the nine Board meetings held during this period, five were regularly scheduled and four were special meetings:

ATTENDANCE OF DIRECTORS AT 2009 BOARD AND COMMITTEE MEETINGS

Director	Board (9 meetings)		Audit (5 meetings)		Corporate Governance & Nominating (5 meetings)		Independent (10 meetings)		Management Resources (3 meetings)		Retirement (2 meetings)		Total Meetings Attended
	#	%	#	%	#	%	#	%	#	%	#	%	%
A. Barbet[(1)]	4/4	100	-	-	-	-	-	-	1/1	100	-	-	100
M. Bord[(2)]	2/5	40	-	-	-	-	-	-	1/2	50	-	-	43
C. Boulay	9	100	-	-	4	80	-	-	-	-	2	100	94
C. Constandis	8	89	-	-	-	-	-	-	-	-	2[(4)]	100	91
R.L. Llewellyn[(5)]	9	100	5[(4)]	100	4/4	100	10[(4)]	100	3	100	2	100	100
G.F. McCarthy[(3)]	9	100	5	100	5	100	10	100	-	-	-	-	100
J.A. Nicodemo	8	89	-	-	4	80	-	-	-	-	2	100	88
P.L. Nielsen	8	89	4	80	-	-	10	100	3[(4)]	100	-	-	93
W.H. Sheffield	9	100	5	100	5[(4)]	100	9	90	-	-	-	-	97
F.A. Villain	7	78	5	100	-	-	-	-	-	-	-	-	86

NOTES:
(1) Mr. Barbet resigned as a member of the Board and the Management Resources Committee, effective November 26, 2008.
(2) Mr. Bord was re-appointed as a member of the Board and the Management Resources Committee, effective November 26, 2008.
(3) Mr. McCarthy is the Chairman of the Board.
(4) Committee Chair.
(5) Mr. Llewellyn became a member of the CG&NC on August 19, 2008.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes and explains the significant elements of compensation awarded to, earned by, paid to, or payable to the Chief Executive Officer, the Chief Financial Officer and each of the next three most highly compensated executive officers of the Corporation (collectively, the “Named Executive Officers”) for the fiscal year ended June 30, 2009.

Objectives of the Executive Compensation Program

The Corporation’s executive compensation policy is designed to recognize the scope and level of responsibility of each position, to provide a competitive level of total compensation to all executives and to reward superior performance and achievement.

The Corporation’s executive compensation policy aims to maintain total compensation levels that are competitive with those of the consumer products sector recognizing the scope and level of responsibility of each position and to provide motivation and incentives to the Corporation’s executives with the view to enhancing shareholder value and successfully implementing the Corporation’s business plans, as well as improving both corporate and personal performance.

To ensure the successful implementation of this policy, the Corporation retains the services of independent compensation consultants to gather information regarding the compensation practices of comparable size companies in the consumer products sector in Canada.

The key components for executive compensation include base salary, short and long-term incentive programs, a comprehensive employee benefits plan, perquisites and the opportunity to participate in the Corporation's Employee Stock Purchase Plan, as well as a defined benefit pension plan.

Compensation Governance

The Corporation follows best practices when dealing with compensation. There is a Management Resources Committee ("MRC"), which is responsible for reviewing, analyzing and approving all compensation for the President and Chief Executive Officer ("CEO"), the Chief Operating Officer and Chief Financial Officer ("CFO") and the other Named Executive Officers.

The MRC reviews annually with the CEO, the performance and compensation of all executives. The MRC recommends to the Board of Directors the approval of the salary levels, short-term incentive payments and the entitlement and participation of all executives in long-term incentive plans. The MRC uses external compensation consultants, benchmarking data and input from management.

External Consultants

The MRC engaged Mercer (Canada) Limited ("Mercer") to provide specific support to the MRC in determining compensation for the Corporation's officers during the most recently completed fiscal year. Among other things considered by the MRC in making its decisions was Mercer's support consisting of: (i) the provision of benchmark market data, and (ii) the provision of advice on the Corporation's short-term and long-term incentive plan designs. Decisions made by the MRC, are the responsibility of the committee and may reflect factors and considerations other than the information and recommendations provided by Mercer.

In addition to this mandate, Eckler Partners Limited ("Eckler") has provided retirement, communication, and investment consulting services to the Corporation.

Benchmarking

We utilized three primary comparator groups in matching incumbents to positions of similar responsibility within comparator publicly-traded Canadian companies.

The first group is comprised of Canadian publicly-traded companies in a similar industry with annual revenues ranging from $130-$700 million. The companies in this comparator group are, as follows:

Andres Wines Ltd.
Danier Leather Inc.
High Liner Foods Inc.
Lassonde Industries Ltd.
Le Chateau Inc.
Lululemon Athletica Inc.
Mega Brands Inc.
Pet Value Canada Inc.
Rothmans Inc.
Shermag Inc.
SunOpta Inc.
Sun-Rype Products Ltd.
West 49 Inc.

The other two comparator groups utilized were:

1. MBD – Mercer Benchmark Database, which encompasses compensation data for companies in all industries and of all sizes and scopes; and

2. CCBF – Canadian Compensation and Benefits Forum (in which Corby participates), which includes 32 companies in the fast-moving consumer goods industry and are direct competitors for talent. Key companies of note in this forum are:

Molson Coors Brewing Company	SC Johnson & Son, Limited
Diageo Canada Inc.	PepsiCo Canada ULC
Labatt Breweries of Canada Limited	Unilever Canada Inc.
Campbell Company of Canada	Danone Inc.
Kraft Foods Inc.	Proctor & Gamble Inc.

Elements of Executive Compensation Program

The primary elements of compensation are:

- Base Salary
- Short-Term Incentives
- Long-Term Incentives (RSU)
- Pensionable Salary
- Employee Stock Purchase Plan
- Benefits and Perquisites

Base Salary

Base salary levels are reviewed annually based on individual performance, level of responsibility, and competitive compensation levels for the Canadian market. Our practice is to ensure pay levels are between the 50^{th} and 75^{th} percentile for comparable positions within the market. The objective of the base salary component is to provide fixed compensation that reflects the market value of the role and the skills and experience of the executive.

Annual salary increases are effective at the beginning of each fiscal year. The recommended annual salary increase for July 1, 2008 was 4%. The actual salary increase can vary dependent on the individual performance rating against the performance management process results, which include operational and strategic objectives, developmental goals and demonstrating company values. These have been set and agreed at the beginning of each fiscal year. Messrs. Nicodemo and Holub were given an annual salary increase of 5.0% and 5.5%, respectively, in recognition of exceeding their set objectives for the fiscal year; all others met their set objectives and were paid the recommended 4% increase. Mr. Valencia was paid an additional 2% increase to align his annual base with the market range for his position.

Short-Term Incentives

The Corporation's executives participate in an annual short-term incentive program, the purpose of which is to reward executives for their contribution to the achievement of annual corporate goals. The target percentages for this incentive plan are reviewed and compared on an annual basis to market levels utilizing the comparator groups and source data stated previously in "Benchmarking". The standard short-term incentive bonus target is 60% of base salary for the CEO, 40% for the CFO, 35% of base salary for the other Named Executive Officers of the Corporation. Bonus awards are based on the achievement of specific corporate goals related to operating profit levels, cash generation, as well as individual goals related to key results areas. Each measure has an assigned weighting of 55%, 15% and 30%, respectively.

At the beginning of each fiscal year, corporate objectives and the CEO's individual performance objectives are determined and tabled before the MRC and the Board of Directors for review and approval.

For the July 1, 2008 to June 30, 2009 fiscal year, the Total Canada Business Profit ("TCBP") was overachieved, Corby Business Profit ("CBP") was at 97% of target, and cash goals were overachieved. All Named Executive Officers met or exceeded their individual performance objectives and received 100% of individual portion of their bonus. These achievements resulted in a payout of 53.6% for the CEO, 36.7% for the CFO, and 32.6% for the other Named Executive Officers of their base salary.

Long-Term Incentives (RSU)

Beginning in fiscal 2007, the Corporation implemented a long-term incentive plan consisting of performance-contingent restricted share units. The objective of this plan is to reward executives for achieving corporate performance targets over a three-year period. This plan replaced the Corporation's previous long-term SARs Plan. The first restricted share units ("RSUs") were granted under the RSU plan on September 8, 2006. The second RSUs were granted under the RSU plan on October 24, 2007. The third RSUs were granted on August 27, 2008.

RSUs reflect the market value of the Voting Class A Common Shares of the Corporation. RSUs vest and become payable to plan participants at the end of a three-year vesting period, subject to the achievement of pre-determined corporate performance targets. Unvested RSUs will attract Dividend Equivalent Units whenever regular or special cash dividends are paid on the Voting Class A Common Shares of the Corporation. Dividend Equivalent Units will be immediately reinvested into additional RSUs, which will vest and become payable at the end of the three-year vesting period, subject to the same performance conditions as the original RSU award. Upon vesting, participants are eligible to receive the cash value of their RSU holdings, including the original RSU grant and any additional RSUs earned as a result of the reinvestment of Dividend Equivalent Units. Payments are made directly by the Corporation to participants in Canadian funds and, when made, all amounts in respect of RSUs and Dividend Equivalent Units which have vested are fully discharged. RSUs do not entitle participants to acquire any rights or entitlements as a shareholder of the Corporation.

The August 27, 2008 RSU grants were subject to the following performance conditions: (i) achievement of TCBP, and (ii) CBP, as budgeted for the 2009 fiscal year. If achievement on both conditions (TCBP and CBP) is equal to 100% of budget, 100% of RSUs will be granted. If achievement on both conditions (TCBP and CBP) is equal to 95% of budget, 50% of RSUs will be granted. If achievement on both conditions is between 95% and 99.9% of budget, the number of RSUs granted will be calculated proportionally utilizing the average achievement level for TCBP and CBP. If achievement on one of the conditions equals or exceeds budget and is between 95% and 99% on the other, the overachieved condition will be deemed to be 100% when calculating the average achievement level for TCBP and CBP.

RSU GRANTS DURING THE FISCAL YEAR ENDED JUNE 30, 2009[1]

Name	Date	RSUs[2] (#)	Performance or Other Period Until Maturation or Payout[3]	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
				Threshold ($)	Target[4] ($)	Maximum ($)
Con Constandis	Aug 27, 2008	12,939	August 27, 2011	$127,837	$255,674	$255,674
John A. Nicodemo	Aug 27, 2008	5,669	August 27, 2011	$56,009	$112,018	$112,018
Andrew S. Alexander	Aug 27, 2008	4,786	August 27, 2011	$47,281	$94,563	$94,563
Paul G. Holub	Aug 27, 2008	3,779	August 27, 2011	$37,334	$74,668	$74,668
Marc A.Valencia	Aug 27, 2008	3,756	August 27, 2011	$37,113	$74,226	$74,226

NOTES:

(1)See "Long-Term Incentives" for a detailed description of the plan.

(2)The number of individual RSUs granted equals the long-term incentive target value divided by the closing price of the Voting Class A Common Shares of the Corporation on the Toronto Stock Exchange ("TSX") on August 26, 2008 of $19.76 per share.

(3)RSUs vest subject to the achievement of performance vesting measures under the RSU plan. See Performance Conditions listed above, under "Long-Term Incentives".

(4)The long-term incentive target value is determined based upon a percentage of base salary (65% for the CEO, 40% for the CFO, and 35% for all other executives).

Pensionable Salary

Pensionable salary is determined based on the average of the best 36 consecutive months of pensionable earnings (for pension benefit purposes, pensionable earnings equal the basic salary, excluding bonuses or other forms of remuneration). The table, below, sets forth the annualized basic salary as at June 30, 2009 for each of the Named Executive Officers. The amount of annual pension payable at normal retirement (age 65) is established as a percentage of pensionable salary (maximum 70%), which is determined, as follows:

Name	Annualized pensionable salary for the fiscal year ended June 30, 2009
Con Constandis	$393,287
John A. Nicodemo	$278,291
Andrew S. Alexander	$270,140
Paul G. Holub	$213,295
Marc A. Valencia	$212,028

Employee Stock Purchase Plan

The Corporation's Employee Stock Purchase Plan enables employees to acquire Voting Class A Common Shares by contributing 2% to 10% of their salary through payroll deductions and in so doing, further aligns the interests of executives and shareholders. The Corporation contributes 50% of the amount contributed by the employee. Messrs. Constandis, Alexander, Nicodemo, Holub and Valencia participate in the Employee Stock Purchase Plan.

Benefits and Perquisites

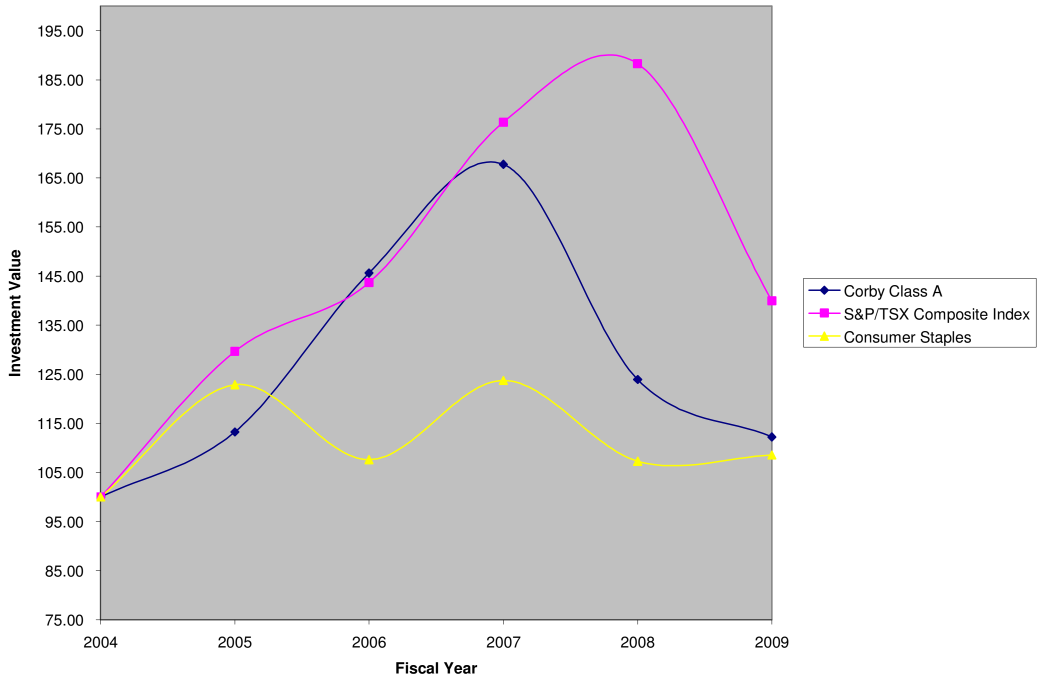
The Named Executive Officers are also entitled to receive various benefits and perquisites, which are offered to all employees including:

Medical and dental benefits,
Long-term and accidental disability benefits,
Life insurance,
Company car,
Club memberships,
Product allowance, and
Financial counselling/tax preparation.

SHAREHOLDER RETURN PERFORMANCE GRAPHS

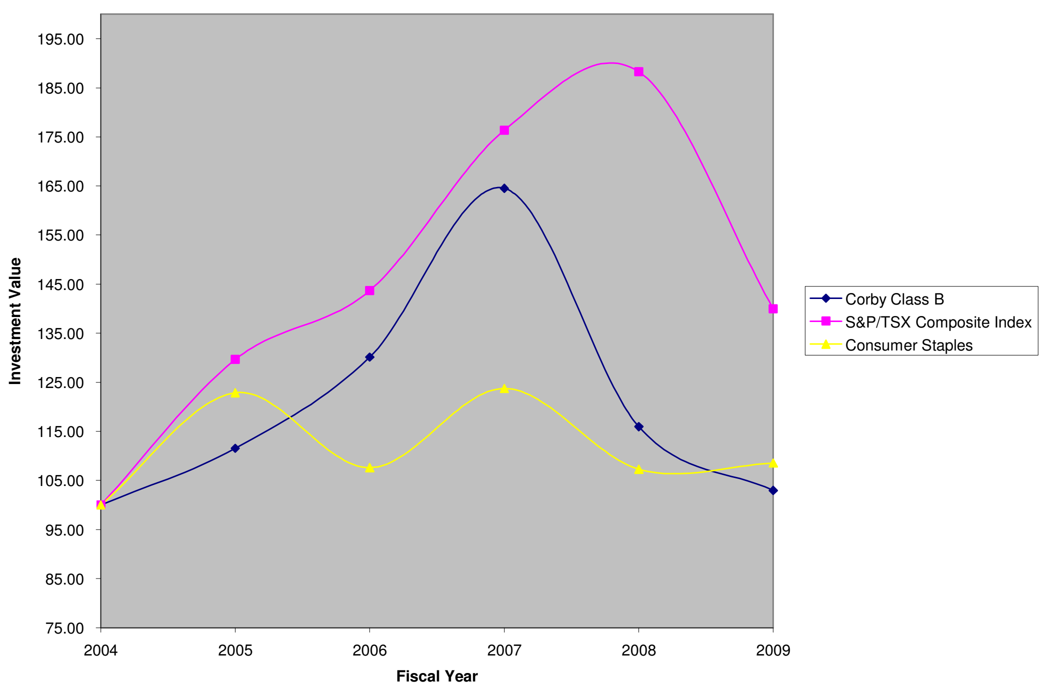
The line graphs below compare the yearly cumulative total shareholder return on the Corporation's Voting Class A Common Shares and Non-Voting Class B Common Shares with the cumulative total return of the S&P/TSX Composite Index and the Consumer Staples Sub-Index for the five-year period commencing September 1, 2004 and ending June 30, 2009.

Comparison of the Performance of Voting Class A Common Shares against the TSX 300 Index*



*Assumes (i) that the initial value of the investment in each of the Corporation's securities and units of the TSX 300 Index was $100 on September 1, 2004, and (ii) reinvestment of dividends. All prices for the Corporation's Voting Class A Common Shares were taken from the TSX's records. During 2004, the TSX changed the classifications of its sub-indices to align itself with the Global Industry Classification Standard (GICS).

Comparison of the Performance of Non-Voting Class B Common Shares against the TSX 300 Index*



* Assumes (i) that the initial value of the investment in each of the Corporation's securities and units of the TSX 300 Index was $100 on September 1, 2004, and (ii) reinvestment of dividends. All prices for the Corporation's Non-Voting Class B Common Shares were taken from the TSX's records. During 2004, the TSX changed the classifications of its sub-indices to align itself with the Global Industry Classification Standard (GICS).

It is difficult to show a direct comparison between the trend in Corby's share price and the Named Executive Officers' compensation over the five-year period. Messrs. Constandis and Holub joined the Company in February 2007, and total compensation for the Named Executive Officers has not been reported prior to 2008. In order to ensure that the Company is able to retain its key talent, compensation for the Named Executive Officers has been consistent with the market pricing philosophy explained in detail under the heading "Compensation Governance" on page 8. The element of the Named Executive Officers' total compensation that directly correlates with the shareholder value is the long-term incentive. The following chart shows the historical value of the long-term incentive (RSUs) granted over the last three years:

PRICE SHARE AND HISTORICAL VALUE COMPARISON

	2006				2007				2008			
Name	# RSUs Granted	$ Value at Grant	$ Value at June 30, 2009	Incr/ (Decr) ($)	# RSUs Granted	$ Value at Grant	$ Value at June 30, 2009	Incr/ (Decr) ($)	# RSUs Granted	$ Value at Grant	$ Value at June 30, 2009	Incr/ (Decr) ($)
C. Constandis	-	-	-	-	9,397	238,684	147,063	(91,621)	12,939	255,674	202,495	(53,179)
J. A. Nicodemo	3,523	85,398	55,135	(30,263)	3,514	89,256	54,994	(34,262)	5,669	112,018	88,720	(23,298)
A. S. Alexander	3,754	90,997	58,750	(32,247)	3,583	91,008	56,074	(34,934)	4,786	94,563	74,901	(19,662)
P. G. Holub	-	-	-	-	2,786	70,764	43,601	(27,164)	3,779	74,668	59,141	(15,527)
M. A. Valencia	2,743	66,490	42,928	(23,562)	2,757	70,028	43,147	(26,881)	3,756	74,226	58,781	(15,445)

SUMMARY COMPENSATION TABLE

The remuneration paid to each of the Corporation's Named Executive Officers for the fiscal year ended on June 30, 2009, is as set forth in the following table:

Name and principal position	Year	Salary ($)	Share-based awards(2) ($)	Option-based awards ($)(3)	Non-equity incentive plan compensation ($)		Pension value ($)(4)	All other compensation ($)(5)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Con Constandis(1) *President & Chief Executive Officer*	2009	397,002	255,674	-	210,805	-	107,517	88,732	1,059,730
John A. Nicodemo(1) *Chief Operating Officer & Chief Financial Officer*	2009	278,291	112,018		102,883	-	43,285	53,175	589,652
Andrew S. Alexander *Vice-President, Sales*	2009	270,140	94,563	-	88,086	-	56,762	51,302	560,853
Paul G. Holub *Vice-President, Human Resources*	2009	213,295	74,668	-	69,554	-	45,569	55,757	458,843
Marc A. Valencia *Vice-President, General Counsel, Corporate Secretary & Chief Privacy Officer*	2009	212,028	74,226	-	69,142	-	42,905	48,880	447,181

NOTES:

(1) Messrs. Constandis and Nicodemo were also directors until June 30, 2009. Neither received compensation for services as a director.

(2) Share-based awards reflect the grant date fair value of the RSU awards made to the Named Executive Officers in fiscal year 2009 under the RSU plan. The number of individual RSUs granted equals the long-term incentive target value divided by the

closing price of the Voting Class A Common Shares of the Corporation on the TSX on August 26, 2008, which was $19.76 per share. RSUs vest subject to the achievement of performance vesting measures under the RSU plan. The number of RSUs granted to each Named Executive Officer in fiscal year 2009 is reflected under the heading "Long-term Incentives (RSU)" on page 10.

(3) The Corporation does not have any option-based awards.

(4) Pension value as stated was calculated by Eckler and is detailed in the "Defined Benefit (DB) Retirement Plans Table" in the Pension Plan Benefits section, below.

(5) All other compensation is, as follows:

- Mr. Constandis - Life Insurance $1,079, ADD/LTD $2,661, Car Lease $16,680, Car Maintenance $3,549, Product Allowance $3,000, Financial/Tax Planning $12,196, Mortgage Assistance $15,402, Medical/Dental Benefits $14,500, Employee Stock Purchase Plan $19,665;
- Mr. Nicodemo – Life Insurance $1,618, ADD/LTD $2,909, Car Lease $13,219, Car Maintenance $3,682, Product Allowance $3,000, Financial/Tax Planning $4,760, Home Loan $572, Medical/Dental Benefits $9,500, Employee Stock Purchase Plan $13,915;
- Mr. Alexander - Life Insurance $1,468, ADD/LTD $3,052, Car Lease $12,131, Car Maintenance $1,825, Product Allowance $3,000, Financial/Tax Planning $6,819, Medical/Dental Benefits $9,500, Employee Stock Purchase Plan $13,507;
- Mr. Holub - Life Insurance $1,619, ADD/LTD $2,453, Car Lease $13,093, Car Maintenance $4,029, Product Allowance $3,000, Financial/Tax Planning $10,098, Medical/Dental Benefits $9,500, Employee Stock Purchase Plan $10,665, Club Membership $1,300;
- Mr. Valencia - Life Insurance $1,618, ADD/LTD $2,439, Car Lease $13,417, Car Maintenance $3,074, Product Allowance $3,000, Financial/Tax Planning $5,230, Medical/Dental Benefits $9,500, Employee Stock Purchase Plan $10,602.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the RSUs held by the Named Executive Officers as at June 30, 2009:

	Option-based Awards(1)				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested(2) (#)**	**Market or payout value of share-based awards that have not vested(3) ($)**
Con Constandis *President & Chief Executive Officer*	-	-	-	-	23,301.96	364,676
John A. Nicodemo *Chief Operating Officer & Chief Financial Officer*	-	-	-	-	13,617.15	213,108
Andrew S. Alexander *Vice-President, Sales*	-	-	-	-	13,041.24	204,095
Paul G. Holub *Vice-President, Human Resources*	-	-	-	-	6,849.39	107,193
Marc A. Valencia *Vice-President, General Counsel, Corporate Secretary & Chief Privacy Officer*	-	-	-	-	9,943.59	155,617

NOTES:

(1)The Corporation does not have any option-based awards.

(2)Includes all RSUs granted plus dividends declared and reinvested per the RSU plan rules.

(3)Market value is based on the number of shares, times the closing price as at June 30, 2009 of $15.65 per share.

Full terms and conditions of the RSUs are listed under the "Long-Term Incentives (RSU)" section, above.

PENSION PLAN BENEFITS

The Named Executive Officers participate in a defined benefit pension plan. In addition, the executive officers have entered into Supplementary Executive Retirement Agreements ("SERP").

The amounts disclosed in the table, below, are the approximate values of retirement plan obligations accrued as of June 30, 2009, the compensation costs incurred during the fiscal year, and the amounts payable upon retirement of the Named Executive Officers. These amounts are all based on assumptions and contractual entitlements, which may change over time. The major assumptions used in making these estimates are consistent with those used to value all of Corby's post-employment benefit obligations and are disclosed in Note 7 of Corby's consolidated financial statements for the year ended June 30, 2009.

Defined Benefit (DB) Retirement Plans Table

The following table provides information on the accrued obligation for each Named Executive Officer.

Name	Number of years pensionable service at June 30, 2009 (#)	Annual accrued benefit –payable ($)		Accrued obligation at start of year ($)	Compensatory change in accrued obligation[4] ($)	Non-compensatory change in accrued obligation[5] ($)	Accrued obligation at year end[6] ($)
		At June 30, 2009[2]	At Age 65[3]				
Con Constandis	2.4167	27,349	177,711	149,322	107,517	(41,611)	215,228
John A. Nicodemo[1]	21.21	157,527	181,363	1,311,037	43,285	(287,779)	1,066,543
Andrew S. Alexander	9.04	71,311	170,026	616,035	56,762	(102,899)	569,898
Paul G. Holub[1]	12.98	94,373	128,195	553,425	45,569	(81,879)	517,114
Marc A. Valencia	4.58	27,866	141,965	160,764	42,905	(53,914)	149,755

NOTES:

(1)Mr. Nicodemo's pensionable service includes his 9 years and 9 months of service with Hiram Walker-Gooderham & Worts Limited. Mr. Holub's pensionable service includes his 10 years and 6 months of service with Hiram Walker-Gooderham & Worts Limited.

(2)Annual pension accrued at year-end is based on deferred pension payable at age 65 based on pensionable service and average earnings as of June 30, 2009.

(3)Annual pension payable at age 65 is based on projected service at age 65 and average earnings as of June 30, 2009.

(4)Compensatory elements include service cost, impact of plan amendments, if any, and the impact of changes to compensation from the previous year that differed from the previous year's assumptions.

(5)Non-compensatory elements include change in measurement assumptions (not related to plan amendments), such as interest rates or mortality, if any. As of June 30, 2008, the interest rate was 5.85%. As of June 30, 2009, the interest rate was 7.1%.

(6)Measurement of accrued obligation reflects the accounting assumptions used in Corby's financial statements.

Pension Benefits

The amount of annual pension payable at normal retirement (age 65) is established as a percentage of pensionable salary (maximum 70%), which is determined, as follows:

For executive officers who joined the SERP before January 1, 1998:

- 4% for each year of pensionable service up to 10 years.
- 2% for each year of pensionable service in excess of 10 but not beyond 20 years.
- 2/3% for each year of pensionable service in excess of 20 but not beyond 35 years.

For executive officers who joined the SERP on or after January 1, 1998:

- 2% for each year of pensionable service prior to joining the SERP.
- 3% for each year of pensionable service thereafter.

Pension payments are not subject to any deduction for social security or other offset amounts such as Canada Pension Plan or Quebec Pension Plan amounts.

Early Retirement Allowance

From age 55 (with more than two years of service), the executive may elect to retire early. The total pension shall be reduced by three percent for each year by which early retirement precedes age 60 (three percent per year by which early retirement precedes age 65, in case of early retirement with less than 10 years of service).

Termination of Service

- No benefits are payable in case of termination with less than two years of service.
- In case of termination with two years of service but before being eligible for early retirement, the executive will be entitled to a deferred pension commencing from the executive's 55th birthday.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The executives of the Corporation have entered into Executive Service Agreements with the Corporation providing that, in the event of termination of their employment without cause, on 30 days' written notice, they would be entitled to a severance allowance in an amount equal to 12 months' salary. In the case of the CFO, the severance allowance is an amount equal to the greater of 12 months' salary or one month's salary for each full year of employment, pro-rated to the effective date of termination for any part year, to a maximum of 24 months' salary. In the case of the CEO and the Vice-President, Human Resources, the severance allowance is an amount equal to two times annual salary. For details concerning the dollar amount of the above referenced termination payments, please see the "Summary Compensation Table", above.

Directors' Compensation

Corby's directors' compensation is reviewed and approved every two years, based on recommendation of the CG&NC. In 2008, the Board reviewed and approved, on the recommendation of the CG&NC, an increase of the annual product allotment from $1,300 to $1,500, an increase of the annual stock retainer from $3,000 to $6,000, and an increase of the Board chairman's retainer from $10,000 to $15,000; and an annual education reimbursement of $5,000. The next review will be in 2010.

Each independent director of the Corporation receives, in that capacity, annual retainers, meeting attendance fees, committee meeting attendance fees, and, as applicable, annual special chairman fees. Each independent director is reimbursed for travel expenses incurred. The following summary sets out the directors' compensation:

Type of Compensation	Amount
Annual cash retainer	$12,250
Annual cash retainer for the Chairman of the Board	$55,000
Corporation's Stock Retainer Plan ($1,500 quarterly)(3)	$6,000
Corporation's Stock Retainer Plan for the Chairman of the Board ($3,750 quarterly)(3)	$15,000
Board meeting attendance fee (in person)	$1,350
Board meeting attendance fee (by telephone)	$675(1)
Committee meeting attendance fee (in person)(2)	$1,000
Committee meeting attendance fee (by telephone)	$500(1)
Annual special fee for the Chair of Audit Committee	$5,000
Annual special fee for the Chair of each of the CG&NC, Independent Committee, and MRC	$2,500
Product Allotment	$1,500
Education Fund	$5,000

NOTES:

(1)On the recommendation of the CG&NC, the Board of Directors of the Corporation approved the reduction of meeting attendance fee by telephone to that of half the in-person attendance fee, effective May 13, 2009.

(2)Committees of the Board include: Audit, CG&NC, Independent, MRC, and Retirement.

(3)The independent directors may elect to invest all or part of their directorship fees in the Corporation's Employee Stock Purchase Plan. In order to offer a total compensation package that is competitive, the independent directors receive $1,500 quarterly ($3,750 quarterly in the case of the Chairman of the Board) in the Corporation's Stock Retainer Plan. The Corporation's Stock Retainer Plan provides for contributions made by the Corporation for the benefit of eligible directors and remitted to the administrator of the plan appointed by the Board. Such contributions are used to purchase the Corporation's Voting Class A Common Shares on behalf of the director participants to promote stock ownership among Board members with the goal of aligning directors' interests with those of the shareholders of the Corporation.

The Corporation paid $245,800.00 in total compensation to its independent directors as a group with respect to the year ended June 30, 2009. The following table sets out the compensation earned in fiscal year ended June 30, 2009 by each individual independent director.

2009 DIRECTOR COMPENSATION							
Name	**Fees earned ($)**	**Share-based awards ($)**	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
G. F. McCarthy	81,475	15,000	-	-	-	1,500	97,975
R. L. Llewellyn	47,225	6,000	-	-	-	1,500	54,725
P. L. Nielsen	36,875	6,000	-	-	-	1,500	44,375
W. H. Sheffield	41,225	6,000	-	-	-	1,500	48,725

NOTES:

1. Messrs. Constandis and Nicodemo were directors and Named Executive Officers of the Corporation during the fiscal year ended June 30, 2009, and did not receive compensation for services as a director. Each of their compensation for service is fully reflected in the Summary Compensation Table, above.
2. The Corporation does not have any option-based awards.
3. Messrs. Bord, Boulay and Villain are considered to be non-independent directors of the Corporation who were nominated by Pernod Ricard and, therefore, do not receive compensation for services as a director.

Directors' Minimum Shareholding Requirements

Each independent director is required to hold three times the annual board base retainer, as determined on the dates of purchase, in shares of the Corporation. Directors are permitted to acquire such shares of the Corporation over a three-year period. As set out in the following table, each independent director meets the minimum shareholding requirements.

MINIMUM SHAREHOLDING REQUIREMENTS FOR INDEPENDENT DIRECTORS			
Independent Director	**Board Retainer ($)**	**Value of Minimum Shareholding Requirement (Board Retainer multiplied by 3) ($)**	**Voting Class A Common Shares held as at June 30, 2009 (#)**
G.F. McCarthy	55,000	165,000	9,155
R.L. Llewellyn	12,250	36,750	2,403
P.L. Nielsen	12,250	36,750	11,750
W.H. Sheffield	12,250	36,750	3,202

Employee Stock Purchase Plan

The directors may elect to invest all or part of their directorship fees in the Corporation's Employee Stock Purchase Plan. During the fiscal year ended June 30, 2009, the independent directors, Ms. Nielsen and Messrs. McCarthy and Llewellyn, and management directors, Messrs. Constandis and Nicodemo, participated in the Corporation's Employee Stock Purchase Plan. The Corporation does not match any portion of the amount contributed by the directors.

Stock Retainer Plan

In order to offer a total compensation package that is competitive, the independent directors receive $1,500 quarterly ($3,750 quarterly in the case of the Chairman of the Board) in the form of the Corporation's Stock Retainer Plan. The Corporation's Stock Retainer Plan provides for contributions made by the Corporation for the benefit of eligible directors and remitted to the administrator of the plan appointed by the Board. Such contributions are used to purchase the Corporation's Voting Class A Common Shares on behalf of the director participants to promote stock ownership among Board members with the goal of aligning directors' interests with those of the shareholders of the Corporation. The following table indicates the number and market value of Voting Class A Common Shares held by the Corporation's independent directors as at June 30, 2009:

Independent Director	Number of Voting Class A Common Shares held under the Stock Retainer Plan [(1)] (#)	Market Value of Voting Class A Common Shares held under the Stock Retainer Plan as at June 30, 2009 ($15.65/share) ($)
G.F. McCarthy	5,962	93,305
R.L. Llewellyn	2,232	34,931
P.L. Nielsen	1,362	21,315
W.H. Sheffield	501	7,841

[(1)] For total number of shares held by each of the independent directors, please refer to the chart under the heading "Nominees for Election to the Board of Directors" starting on page 3 in this Management Proxy Circular.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At June 30, 2009, no director or officer was indebted to the Corporation, other than for routine indebtedness as defined in applicable securities legislation.

The following table sets forth the largest amount of the indebtedness during the year and the amount of the indebtedness as of June 30, 2009, with respect to a housing loan repaid by one officer previously indebted to the Corporation. No indebtedness was outstanding during the most recently completed fiscal year by any director or officer of the Corporation for security purchase programs.

INDEBTEDNESS OF DIRECTORS AND OFFICERS		
Name and Position	**Largest Amount Outstanding During the Last Completed Fiscal Year**	**Current Indebtedness**
John A. Nicodemo *Director, Chief Operating Officer and Chief Financial Officer*	**$38,674**	$0
Aggregate Indebtedness	**$38,674**	$0

APPOINTMENT OF AUDITORS

Upon the recommendation of the Audit Committee of the Board of Directors, the directors recommend that Deloitte & Touche LLP be reappointed as the Corporation's auditors to hold office until the close of the next annual meeting, and that the directors be authorized to fix the remuneration of the auditors. Deloitte & Touche LLP are the auditors of the Corporation and have acted as auditors for the Corporation since 2006.

Audit Fees

The aggregate fees billed by Deloitte & Touche LLP, as the Corporation's external auditors, for audit services provided during fiscal years 2009 and 2008 are set out below:

Fees	2009	2008
Audit fees	$456,000	$462,000
Audit-related fees	34,400	14,400
Tax fees	0	0
Other fees	0	0
Total	$490,400	$476,400

Deloitte & Touche LLP did not provide any non-audit services to the Corporation.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and officers' liability insurance is provided with an annual aggregate limit of €125,000,000 (Cdn. $239,025,000 as at June 30, 2009), subject to a deductible of up to €375,000 (Cdn. $717,075 as at June 30, 2009) for certain claims by the Corporation. Coverage is provided for "wrongful acts" committed by the insured persons, subject to certain exclusions in the policy. "Wrongful act" means any actual or alleged breach of duty, neglect, error, imprudence, misstatement, misleading statement, omission or other act by any insured person in his or her insured capacity.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corby is committed to a high standard of corporate governance practices. The Board of Directors supports the Corporation's efforts to align with the recommendations currently in effect and contained in *National Policy 58-201: Corporate Governance Practices* and *National Instrument 58-101: Disclosure of Corporate Governance Practices* with the objective of providing greater transparency to Canadian capital markets regarding public company corporate governance practices. The Board of Directors will continue to monitor developments in this area carefully and will respond appropriately to any future changes.

The Corporation's "Statement of Corporate Governance Practices" is attached as Appendix "A" to this Management Proxy Circular.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's consolidated financial statements and Management's Discussion and Analysis for the Corporation's most recently completed fiscal year. Shareholders may request copies of the Corporation's Annual Report, containing the Corporation's consolidated financial statements for the year ended June 30, 2009, and Management's Discussion and Analysis regarding these financial statements, and the Corporation's Annual Information Form, free of charge, by contacting the undersigned in writing at 225 King Street West, Suite 1100, Toronto, Ontario M5V 3M2.

OTHER MATTERS

Management of the Corporation knows of no amendments or variations to matters identified in the Notice of Meeting nor of any other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any such amendments or variations or other matters should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

ELECTRONIC DELIVERY OF SHAREHOLDER DOCUMENTS

If you would like to receive your shareholder and financial documents electronically, please enroll in Computershare's electronic delivery program at www.computershare.com/eDelivery.

SHAREHOLDERS PROPOSALS

For the next annual meeting of the Corporation, shareholders must submit any proposal that they wish to be considered by **July 1, 2010**.

APPROVAL BY DIRECTORS

The contents and the sending of this Management Proxy Circular have been approved by the directors of the Corporation.

BY ORDER OF THE BOARD

Marc A. Valencia
Vice-President, General Counsel,
Corporate Secretary and Chief Privacy Officer

Toronto, Ontario
September 21, 2009

APPENDIX "A"

CORBY DISTILLERIES LIMITED
(the "Corporation")

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation is committed to a high standard of corporate governance practices. The Board of Directors supports the Corporation's efforts to align with the recommendations currently in effect and contained in *National Policy 58-201: Corporate Governance Practices* ("NP 58-201"), which are addressed below.

Over the past several years, there have been various initiatives by securities regulatory authorities, institutional investors and stock exchanges to enhance the standards of corporate governance within public companies. These initiatives have addressed corporate governance issues generally and, in particular, issues related to accounting controls, disclosure standards, board oversight, appropriate management incentives, board independence and other matters. Effective June 30, 2005, Canadian securities regulatory authorities adopted *National Instrument 58-101: Disclosure of Corporate Governance Practices* ("NI 58-101") and NP 58-201 with the objective of providing greater transparency to Canadian capital markets regarding public company corporate governance practices. The Board of Directors will continue to monitor developments in this area carefully, and will respond appropriately to any future changes.

Board of Directors

Board Mandate

The Board of Directors of the Corporation assumes stewardship of and recognizes that it is ultimately responsible for ensuring that the business and affairs of the Corporation are managed properly to protect and enhance shareholder value, including the financial viability of the business. Among its numerous duties and responsibilities, the Board:

- oversees the strategic planning process, including approval of the strategic plan and corporate performance objectives of the Corporation;
- determines matters of corporate policy, assesses management's execution of these policies and reviews the results achieved;
- directs management to implement systems to address risks and to periodically report to the Board on these systems and risks;
- on the advice and recommendations of the Management Resources Committee, appoints officers and guides existing management resources and succession planning; and
- oversees the communications policy of the Corporation and reviews and, where necessary, approves (directly or through one of the Board committees) material disclosure documents of the Corporation, such as annual and quarterly financial statements, management's discussion and analysis ("MD&A"), management proxy circulars for annual meetings, and annual information forms.

In addition, the Board has adopted Terms of Reference that were designed to assist the Board and management in clarifying their respective responsibilities and ensuring effective communication between them. A copy of the Terms of Reference of the Board is attached hereto as Appendix "B" to this Management Proxy Circular.

The Board of Directors has plenary power. Any responsibility not exclusively delegated to management or to a committee of the Board remains with the Board.

Board Composition and Independence

The Board's objective with respect to its composition is twofold: (i) to have a sufficient range of skills, expertise and experience to enable the Board to carry out its functions effectively, and (ii) to have directors that are fairly reflective of the investment that shareholders, other than the significant shareholder, have in the Corporation.

The Board is composed of nine directors, a number considered appropriate for facilitating effective dialogue and decision making. Generally, a director is considered to be "independent" if he or she has no direct or indirect material relationship with the corporation that could, in the view of the board, be reasonably expected to interfere with the exercise of the director's independent judgement. Four of the Corporation's directors are considered independent under this analysis, namely, Messrs. Llewellyn, McCarthy and Sheffield and Ms. Nielsen. Upon Mr. Lussier's election as a director at the Meeting, he will also be considered an independent director.

The remaining directors of the Corporation are not independent under NI 58-101 by virtue of their relationship with the Corporation. Mr. O'Driscoll is the President and Chief Executive Officer of the Corporation. Mr. Pourchet is the Vice-President and Chief Financial Officer of the Corporation. Messrs. Dréano and Villain were nominated by the Corporation's significant shareholder, Hiram Walker & Sons Limited ("HWSL"), and are employees of an affiliate of HWSL's parent company, Pernod Ricard S.A. Mr. Boulay was nominated by the Corporation's significant shareholder, HWSL, and has served as external legal counsel of Pernod Ricard Americas since 1996, and as a director of each of Allied Domecq (Canada) Ltd., Hiram Walker–Gooderham & Worts Ltd., and Hiram Walker & Sons Limited since 2006. As a result of the technical reading of NI 58-101, a majority of the directors of the Corporation are not considered "independent" within the meaning of NI 58-101.

Further, the Board is composed of a majority of non-management directors. Of the Corporation's nine directors, only Messrs. O'Driscoll and Pourchet are management directors.

The Board has established procedures to enable it to function independently of management and to facilitate open and candid discussion among the independent directors and is satisfied that it can exercise independent judgement in carrying out its responsibilities. For instance,

- the Chairman of the Board, Mr. George McCarthy, is an independent director and has, as primary function, the duty to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its Terms of Reference;
- the Board meets on a regular basis with the President and Chief Executive Officer ("CEO") and without other management present, and it also meets from time to time without the CEO;
- the Board expects management to be responsible for the operations of the business while respecting authorized financial limits and adhering to the strategic plan, operational budget and approved corporate policies; and
- the Board expects to be advised, on a regular basis, as to the results being achieved, and, in keeping with evolving conditions, to be presented for approval, alternative plans and strategies proposed to be implemented.

The Independent Committee of the Board, which is constituted of all of the independent directors of the Corporation, is responsible, among other things, for ensuring that the Board functions independently of management and exercises independent judgement in carrying out its responsibilities. See "Independent Committee" under "Committees of the Board", below, for details concerning the Independent Committee.

For information regarding the attendance record of each director for all board and committee meetings held since the most recently completed financial year, please see page 7 of this Management Proxy Circular under the heading "Meetings Held and Attendance of Directors".

Other Board Memberships

The following director also held other reporting issuer directorships as set out below:

Director	Reporting Issuers
William H. Sheffield	Ontario Power Generation Inc., Velan Inc., and Houston Wire & Cable Company.

Committees of the Board

The Board discharges its responsibilities directly, on the advice and recommendations of its committees. The Board has established five standing committees and delegates certain of its responsibilities to each of the committees. In this regard, each committee is mandated to report to the Board and to carry out certain responsibilities. However, all decisions, recommendations and proposals require full Board acceptance. The Board has approved terms of reference that govern the Board and each of the committees of the Board.

The five standing committees of the Board are: Audit Committee, Corporate Governance & Nominating Committee, Independent Committee, Management Resources Committee, and Retirement Committee. A summary of each committee's mandate is, as follows:

Audit Committee

The principal functions of the Audit Committee are to review the annual and interim financial statements, as well as the MD&A section of the Corporation's annual report containing financial information prior to its approval by the Board. The Audit Committee receives adequate and regular updates from management on all issues relating to audits, financial statements, MD&A, annual and interim earnings, press releases, procedures for disclosure of financial information and disclosure controls. The Audit Committee also considers the scope and extent of the annual audit and evaluates the external auditors' performance for the preceding fiscal year, reviews their fees and makes recommendations to the Board; examines the presentation and impact of significant risks and key management estimates and judgements that may have a material impact on the Corporation's financial reporting; examines the adequacy of the Corporation's internal accounting control procedures and systems; meets as required and at least quarterly, may exercise all the powers of the Board and deals with Board issues between regular Board meetings with certain exceptions prescribed by law; meets periodically with management, the internal auditor and the external auditors to receive reports on internal accounting controls and audit results and to review accounting principles and practices; pre-approves non-audit services not prohibited by law to be performed by external auditors in conformity with the terms of any authorization delegated to them by the Audit Committee; and oversees the integrity of the Corporation's management information systems.

The Audit Committee is composed of the independent directors and Mr. Villain, and is chaired by Mr. Llewellyn. During the period from July 1, 2008 to June 30, 2009, the Audit Committee met five times.

For additional information concerning the Audit Committee, please refer to the section entitled "Audit Committee" contained in the Annual Information Form of the Corporation dated September 21, 2009.

Corporate Governance & Nominating Committee

The Corporate Governance & Nominating Committee is responsible for overseeing and making recommendations to the Board of Directors with respect to the Corporation's approach to maintaining a high standard of corporate governance, including, but not limited to, determining a board size that promotes effectiveness and efficiency; assessing the effectiveness of the Board; assessing the performance of each director on an on-going basis; providing orientation designed to acquaint new directors with the Corporation and its governance process; determining directors' remuneration after considering time commitment, compensation provided by comparable companies and risks and responsibilities associated with the position; and authorizing individual directors to engage outside advisors at the expense of the Corporation. The Corporate Governance & Nominating Committee administers and reviews compliance with the Corporation's Code of Conduct; and receives adequate and regular updates from the CEO, the CFO and/or the Vice-President, General Counsel, on all issues relating to corporate governance.

Another important role of the Corporate Governance & Nominating Committee is to select and appoint new nominees to the Board. In order to identify and propose nominees for election to the Board, the Corporate Governance & Nominating Committee looks for new nominees who have expertise in an area of strategic interest to the Corporation, the ability to devote the time required for Board service and a willingness to serve on the Board and any of its committees.

The Corporate Governance & Nominating Committee is composed of five members, a majority of which are independent directors. In fiscal year 2009, it was chaired by Mr. Sheffield. Mr. Pourchet was appointed as a new member of the Corporate Governance & Nominating Committee on August 1, 2009, replacing Mr. Nicodemo as a member. During the period from July 1, 2008 to June 30, 2009, the Corporate Governance & Nominating Committee met five times.

Independent Committee

The Independent Committee is responsible for assessing and making recommendations to the Board of Directors in respect of matters where the interests of the minority shareholders of the Corporation may differ, or may be seen to differ, from those of the majority shareholder, HWSL, and its affiliates. This includes assisting the Board of Directors in fulfilling its responsibilities in connection with the assessment of related party transactions between the Corporation and HWSL and its affiliates. The Independent Committee receives adequate and regular updates from the CEO, the CFO and/or the Vice-President, General Counsel, on all issues, as appropriate.

The Independent Committee is composed of four members, all of whom are the independent directors of the Corporation, and is chaired by Mr. Llewellyn.

The Independent Committee meets regularly and, during the period from July 1, 2008 to June 30, 2009, has held ten formal separate meetings in the absence of management and non-independent directors. The Independent Committee also engages in discussions outside of regularly scheduled directors' meetings. Further, the Chairman of the Board of Directors of the Corporation holds separate discussions with the independent directors throughout the year.

Management Resources Committee

The mandate of the Management Resources Committee is to administer the Corporation's executive compensation policy. The Management Resources Committee oversees succession planning and makes recommendations to the Board of Directors, including recommendations to the Board regarding the appointment of officers of the Corporation and executive compensation.

On an annual basis, the Management Resources Committee determines and advises the Board with respect to the CEO's general objectives and reviews the corporate targets for which the CEO has responsibility. The Management Resources Committee reviews, at least annually, the performance of the CEO and determines his compensation and benefits.

The Management Resources Committee also reviews annually with the CEO the performance of the senior executives of the Corporation and determines their eligibility for compensation and benefits. The

Management Resources Committee receives regular updates from the CEO and/or Vice-President, Human Resources, on all issues relating to compensation and human resources.

Please refer to the section entitled “Compensation Discussion and Analysis” contained in this Management Proxy Circular for further information.

The Management Resources Committee engaged Mercer (Canada) Limited (“Mercer”) to provide specific support to the Management Resources Committee in determining compensation for the Corporation’s officers and directors during the most recently completed fiscal year. Among other things considered by the Management Resources Committee in making its decisions was Mercer's support consisting of: (i) the provision of benchmark market data, and (ii) the provision of advice on the Corporation's short-term and long-term incentive plan designs.

In addition to this mandate, Eckler Partners Limited (through different lines of business) has provided retirement, communication and investment consulting services to the Corporation.

The Management Resources Committee is composed of three members, a majority of which are independent directors and is chaired by Ms. Nielsen. During the period from July 1, 2008 to June 30, 2009, the Management Resources Committee met three times.

Retirement Committee

The Retirement Committee reviews, reports and advises the Board of Directors with respect to administration, funding and investment policies of the Corporation’s pension plans; and receives adequate updates from the CEO, the CFO and/or the Vice-President, Human Resources, on all issues relating to the Corporation’s pension plans.

The Retirement Committee is composed of four directors and is chaired by Mr. O’Driscoll, who replaced Mr. Constandis as the chair of the Retirement Committee on July 1, 2009. Effective August 1, 2009, Mr. Pourchet replaced Mr. Nicodemo as a member of the Retirement Committee. During the period from July 1, 2008 to June 30, 2009, the Retirement Committee met two times.

Position Descriptions

Chairman of the Board

The Chairman of the Board is responsible for the efficient organization and operation of the Board and its committees in order to facilitate the operations and deliberations of the Board and the satisfaction of the Board’s responsibilities under its terms of reference; ensuring the effective communication between the Board and management, and that the Board effectively carries out its mandate; and reviewing the agenda for each meeting of the Board and reviewing the agendas for all meetings of the Board committees. The Board has developed written position descriptions for the Chairman and for the chair of each Board committee. The responsibilities of each committee chair are set out in the respective committee’s terms of reference.

Chief Executive Officer

The objectives of the CEO include the general mandate to manage the Corporation and its businesses, including financial and human resources and to maximize shareholder value. In addition, the Board has authorized the CEO to approve the commitment of funds for any non-budgeted transaction (consistent with the approved business plan of the Corporation) within a set monetary limit; to approve the commitment of the Corporation for any budgeted or otherwise approved transaction, regardless of the monetary limit; and to delegate authority to other officers and employees to commit the Corporation within set monetary limits. The CEO’s objectives are discussed annually with the Management Resources Committee. The Board and the CEO have developed a written position description for the CEO.

Orientation and Continuing Education

The Corporation provides new directors with access to the CEO and all other senior management to provide each director with an understanding of the Corporation and its business. The Chairman reviews with new directors the role of the Board, its committees and its directors, the expectations of each member, including the rules and regulations with regard to the trading of the securities of the Corporation. Updates on the Corporation's business and activities are provided to directors on a regular basis to ensure that directors have the necessary knowledge concerning the Corporation's business to meet their obligations as directors. All directors are also encouraged to visit the Corporation's facilities with a view to enabling them to better understand the Corporation's business.

Ethical Business Conduct

As part of the Corporation's commitment to effective corporate governance, all directors, officers and employees of the Corporation must act in accordance with the Corporation's Code of Conduct (the "Code"). The Code has been adopted by the Board of Directors and senior management and requires every officer, director and employee to observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Code sets forth guidelines, policies and procedures, which comprise the core principles applicable to all, and addresses ethical conduct, conflicts of interest and compliance with the law. The Code is administered by the Corporate Governance & Nominating Committee, which also oversees and monitors the Code and reports to the Board on the implementation and monitoring of the Code and all matters that arise related to its provisions, including any departures or waivers that are granted. Any person may obtain a copy of the Code by written request to the Secretary of the Corporation. The Board also ensures that the directors exercise independent judgement in considering transactions in respect of which a director or executive officer has a material interest by requiring all directors to adhere to the declaration of conflict of interest requirements mandated by the *Canada Business Corporations Act*.

Whistleblower Policy

The Corporation has also adopted a Whistleblower Policy to address the reporting, retention and treatment of complaints and concerns regarding questionable accounting, internal accounting controls or auditing matters. The Audit Committee is responsible for monitoring compliance of the Whistleblower Policy and reviews it on an annual basis. Any complaints and concerns raised under the Whistleblower Policy are brought to the attention of the Chair of the Audit Committee.

Board and Committee Assessments

The Chairman of the Board is responsible for the effective operation of the Board and its committees. Issues regarding quality of information and Board performance are reviewed at Board meetings. In addition, the Chairman makes himself available at all times for discussions with individual Board members regarding Board performance. In carrying out his responsibilities, the Chairman also reviews the contributions of its individual directors and considers whether the current composition of the Board promotes effectiveness and efficiency in its decision making. The Board conducts a formal assessment process annually. On an annual basis, the Corporate Governance & Nominating Committee formally assesses the effectiveness of each of the Board and its committees and, bi-annually, informally, each individual director relative to: (i) in the case of the Board and each committee of the Board, their roles and responsibilities and the Board or each committee's mandate, as applicable, and (ii) in the case of individual directors, the applicable position description, as well as the competencies and skills that each individual director is expected to bring to the Board. The chair of the Corporate Governance & Nominating Committee reports to the Board on the evaluation of the performance of the Board and each committee.

Corporate Disclosure & Communication

The Board oversees the Corporation's continuous disclosure program, which is structured to ensure that relevant information is released in a timely fashion. The Corporation has adopted a written Corporate Disclosure Policy. The policy is reviewed at least every two years by the Board and contains guidelines for the timely dissemination of material information, including how to determine what information is material, how and when the information is to be disclosed, and who is authorized to act as spokespersons of the Corporation. The Board approves communications with respect to financial issues or developments, including annual and quarterly financial statements, MD&A, and press releases.

Related Party Transaction Policy

In discharging its duty to supervise the management of the business and affairs of Corby for the benefit of all shareholders, the Board of Directors of Corby seeks to identify and resolve any perceived or actual conflict between the interests of Corby and the interests of Corby's majority shareholder and its affiliates. This effort is in addition to the provision in Corby's governing corporate statute, the *Canada Business Corporations Act*, providing for the disclosure of any interest which a director or officer of Corby may have in a material contract or transaction between Corby and another party, and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

Effective June 3, 2008, the Board of Directors of Corby has determined that in addition to any other approval which may be required, any transaction or contract to be entered into between Corby and its majority shareholder or any of its affiliates which involves a value in excess of $1,000,000, or any material amendment or waiver of rights under, or the termination or renewal of, any such transaction or contract, must be approved by a majority of those members of the Board of Corby who are not employed by, or officers or directors of, PR or any of its affiliates. This approval requirement applies even if the transaction or contract is one which, in the ordinary course of Corby's business, would not require approval by the Board of Corby.

APPENDIX "B"

CORBY DISTILLERIES LIMITED
(the "Corporation")

TERMS OF REFERENCE - BOARD OF DIRECTORS

Title:	Board of Directors of the Corporation (the "Board")
Appointment:	Directors are elected annually by the shareholders of the Corporation and together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Board.
Function:	The Board establishes the overall policies for the Corporation; monitors and evaluates the Corporation's strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management. Accordingly, in addition to the duties of directors of a Canadian corporation as prescribed by statute, the mandate of the Board is to supervise the management of the business and affairs of the Corporation with a view to evaluate, on an ongoing basis, whether the Corporation's resources are being managed in a manner consistent with enhancing shareholder value, ethical considerations and corporate social responsibility.
Committees:	The current committee structure of the Corporation includes the following committees: Audit, Corporate Governance & Nominating, Independent, Management Resources, and Retirement. The mandate of each standing committee is reviewed periodically by the Board with a view to delegating to committees the authority of the Board concerning specified matters appropriate to such committees. Such authorities are set forth in board resolutions or by-laws pertaining to the charters of board committees.

Key Responsibilities:

1. Selecting the Chairperson for the Board of Directors annually or as otherwise required;

2. Reviewing and approving, prior to the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation, as well as longer term strategic plans (taking into account the opportunities and risks of the business) prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set;

3. Reviewing and approving all regulatory filings, such as the annual report, management proxy circular, annual information form and other reports required by securities regulators;

4. Ensuring that it is properly informed, on a timely basis, of all important issues (including cash management and business development issues) and developments involving the Corporation and its business environment;

5. Identifying, with management, the principal risks of the Corporation's business and the systems put in place to manage these risks, as well as monitoring, on a regular basis, the adequacy of such systems;

6. Adopting and enforcing good corporate governance practices and processes;

7. Monitoring the efficiency and integrity of internal control and management information systems;

8. Ensuring proper communication with shareholders, customers and governments;

9. Recommending to shareholders, pursuant to the recommendation of the Audit Committee, the appointment of auditors and approving auditor compensation where authorized by shareholders;

10. To the extent feasible, satisfying itself as to the integrity of the president and chief executive officer (the "CEO") and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization;

11. Developing with the CEO a position description for the CEO and developing and approving the corporate goals and objectives that the CEO must meet;

12. Reviewing and ratifying the Management Resources Committee's assessment of the performance of the CEO and senior executives;

13. Ensuring proper succession planning, including appointing, training and monitoring senior executives;

14. Assessing annually the performance of the Board, its committees and each of its directors;

15. Nominating or appointing directors, as appropriate, based on the advice of the Corporate Governance & Nominating Committee and considering the size of the Board and the competencies and skills of directors and proposed directors;

16. Ensuring the new directors receive comprehensive orientation to the Board and that an appropriate continuing education program is made available to all directors; and

17. Ensuring that the compensation of directors realistically reflects the responsibilities and risks involved in being an effective director.

Long-term goals and strategies for the Corporation are developed as part of management's annual strategic planning process with the Board, which also includes the preparation of a detailed one-year operating plan. Through this process, led by the CEO and senior management of the Corporation, the Board adopts the operating plan for the coming financial year and monitors senior management's relative progress through a regular reporting and review process. The Board reviews on a quarterly basis the extent to which the Corporation has met the current year's operating plan.

Consistent with the Board's power to delegate management of the day-to-day operation of the Corporation's business, the Board exercises business judgement in establishing and revising guidelines for authorization of expenditures or other corporate actions, and these have been periodically reviewed with management.

The Board has put policies in place to ensure effective, timely and non-selective communications between the Corporation, its stakeholders and the public. The Board, or the appropriate committee thereof, reviews the content of the Corporation's major communications to shareholders and the investing public, including the quarterly and annual reports, and approves the management proxy circular and the annual information form. The disclosed information is released through mailings to shareholders, newswire services, the general media and a home page on the internet.

Qualifications and Procedures

At least twenty-five per cent of the directors of a corporation must be resident Canadians, as defined by the *Canada Business Corporations Act*, and a majority of the directors shall be independent directors. The Board shall review and affirmatively determine the status of each director.

These percentages also apply to director attendance at any Board meetings.

The independent directors shall meet at regularly scheduled executive sessions, at least quarterly, without management present. If the Chairman of the Board is an independent director, he/she will preside over the executive sessions of the Board. Otherwise, the independent directors shall designate and publicly disclose the name of the independent director, who will preside at the executive sessions.

The Board may retain such external consultants and advisors (at the Corporation’s expense), as it deems necessary, from time to time, to fulfill its duties and responsibilities.

The Board's operational procedures are set out in the By-Laws of the Corporation, as amended, from time to time.