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**ALLIANCE GRAIN TRADERS INC.**

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**NOTICE OF ANNUAL AND SPECIAL  
MEETING OF SHAREHOLDERS  
TO BE HELD ON  
JUNE 27, 2013**

**- AND -**

**MANAGEMENT INFORMATION CIRCULAR**

May 15, 2013

THIS NOTICE AND MANAGEMENT INFORMATION CIRCULAR ARE FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ALLIANCE GRAIN TRADERS INC. OF PROXIES TO BE VOTED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, JUNE 27, 2013 AT 9:30 A.M. (TORONTO TIME) AT THE OFFICES OF STIKEMAN ELLIOTT LLP, 199 BAY STREET, COMMERCE COURT WEST, SUITE 5300, TORONTO, ONTARIO, M5L 1B9.

**ALLIANCE GRAIN TRADERS INC.  
NOTICE OF MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of Alliance Grain Traders Inc. (“**AGT**”) will be held in the Main Boardroom at the offices of Stikeman Elliott LLP at 199 Bay Street, Commerce Court West, Suite 5300, Toronto, Ontario, M5L 1B9 on Thursday, June 27, 2013 at 9:30 a.m. (Toronto time) for the following purposes:

- (a) to receive the audited financial statements of AGT as at and for the financial year ended December 31, 2012;
- (b) to re-elect Murad Al-Katib, Huseyin Arslan, John Gardner, Howard N. Rosen and Drew Franklin as directors of AGT;
- (c) to re-appoint KPMG LLP as the auditor of AGT;
- (d) to approve the extension of the expiry date of 333,500 options to acquire Common Shares held by management and a director of AGT from April 21, 2013 to April 21, 2014;
- (e) to approve the adoption of By-Law No.2 of AGT relating to advance notice provisions for the nomination of directors of AGT, as more particularly set forth in Schedule “E” to the accompanying information circular;
- (f) to re-approve the Stock Option Plan 2010, as amended, of AGT, as more particularly set forth in Schedule “F” to the accompanying information circular;
- (g) to re-approve the employee share purchase plan of AGT, as more particularly set forth in Schedule “G” to the accompanying information circular; and
- (h) to transact such further and other business as may properly come before the Meeting, or any reconvened meeting following any adjournment thereof.

The record date for receiving this notice, to vote at the Meeting and for determining the beneficial owners of Common Shares has been set at May 27, 2013. This notice is accompanied by a form of proxy and an information circular that provides particulars of the matters set out in this notice.

**DATED** at Regina, Saskatchewan, this 15<sup>th</sup> day of May, 2013.

**ON BEHALF OF THE BOARD OF DIRECTORS:**



Murad Al-Katib  
President and Chief Executive Officer

Shareholders who are unable to attend the Meeting in person are requested to exercise their right to vote by completing, dating, signing and returning, in the envelope provided for that purpose, the enclosed form of proxy to Equity Financial Trust Company at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593, Attention: Proxy Department, <b>so that it arrives no later than 9:30 a.m. (Toronto time) on June 25, 2013, or 48 hours preceding any reconvened meeting following any adjournment of the Meeting.</b> If you are able to attend the Meeting, sending your proxy will not prevent you from voting in person. <b>If your Common Shares are held in the name of a broker or nominee, you must provide voting instructions to your broker or nominee for your Common Shares to be represented at the Meeting.</b>
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**ALLIANCE GRAIN TRADERS INC.  
INFORMATION CIRCULAR  
SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of Alliance Grain Traders Inc. (“**AGT**”) to be used at the annual and special meeting (the “**Meeting**”) of holders (each a “**Shareholder**”) of common shares of AGT (the “**Common Shares**”) to be held at 9:30 a.m. (Toronto time) on Thursday, June 27, 2013, in the Main Boardroom at the offices of Stikeman Elliott LLP at 199 Bay Street, Commerce Court West, Suite 5300, Toronto, Ontario M5L 1B9, and at any reconvened meeting following any adjournment thereof, for the purposes set forth in the Notice of Meeting. It is expected that such solicitation will be primarily by mail; however proxies may also be solicited by the Management by means of telephone, facsimile, e-mail or in person. The cost of the solicitation of proxies by the Management will be borne by AGT. Unless otherwise indicated, all information set forth herein is as at May 15, 2013.

**These materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and AGT or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.**

**APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES**

The persons named in the enclosed form of proxy are currently directors of AGT (the “**Directors**”). **A Shareholder has the right to appoint any other person to represent him or her at the Meeting and may do so by inserting in the blank space provided in the said form of proxy the name of the person, who need not be a Shareholder, who he or she wishes to appoint, or by completing another form of proxy and, in either case, delivering the completed proxy to the office of Equity Financial Trust Company, AGT’s registrar and transfer agent, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593, Attention: Proxy Department, not later than 9:30 a.m. (Toronto time) on June 25, 2013, or 48 hours preceding any reconvened meeting following any adjournment of the Meeting.**

A Shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing and deposited either at the office of AGT’s registrar and transfer agent indicated above at any time up to 9:30 a.m. (Toronto time) on June 25, 2013, or 48 hours preceding any reconvened meeting following any adjournment of the Meeting, or by depositing it with the chairman of the Meeting prior to the commencement of the Meeting, or any reconvened meeting following any adjournment thereof, and upon either of such deposits the proxy is revoked.

If Common Shares are held in the name of a broker or nominee, the beneficial owner must provide voting instructions to AGT or to the broker or nominee in order for his or her Common Shares to be voted at the Meeting.

A Shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting, or any reconvened meeting following any adjournment thereof.

## MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

Holders of Common Shares of record at the close of business on May 27, 2013 (the “**Record Date**”) are entitled to vote their Common Shares at the Meeting on the basis of one vote for each Common Share held. AGT’s By-Law 1 provides that two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the votes attached to all outstanding Common Shares constitute a quorum for the Meeting.

The chairman of the Meeting may conduct a vote on any matter by a show of hands of the Shareholders and proxyholders present at the Meeting and entitled to vote thereat unless a poll is demanded. If a poll is demanded, it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs.

On a show of hands, every Shareholder who, being an individual, is present in person or, being other than an individual, is present by proxy, shall have one vote. On a poll, every Shareholder who is present in person or is represented by proxy shall have one vote for each Common Share of which such Shareholder is the holder. If Common Shares are held jointly by two or more persons, any one of them present as aforesaid or represented by proxy at the Meeting may, in the absence of the other or others, vote thereon, but if more than one of them is present or represented by proxy, they shall vote together on the Common Shares jointly held.

Proxies appointing AGT’s designated representative as the Shareholder’s proxyholder will be voted on any ballot that may be called for, except where instructions are given with respect to a particular matter to be acted upon, in which case such proxies will be voted in accordance with such instructions. **If no instructions are given with respect to the particular matters to be acted upon, such proxies will be voted in favour of such matters.**

**The form of proxy enclosed with this Circular confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting.** At the time of printing this Circular, neither the Directors nor the officers of AGT (the “**Officers**”) know of any such amendments, variations or other matters to come before the Meeting other than the matters referred to in the notice of Meeting. **However, if other matters that are not known to the Directors or Officers should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person voting the proxy.**

Unless otherwise noted a simple majority (i.e., 50% plus one) of the votes cast either in person or by proxy is necessary to pass the matters specified in the Notice of Meeting. In the case of an equality of votes, the chairman of the Meeting shall not be entitled to a second or casting vote.

## VOTING BY BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares, or (ii) in the name of a depository (a “**Depository**”), of which the Intermediary is a

participant, for example The Canadian Depository for Securities Limited. Intermediaries include, for example, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, AGT distributes copies of the Notice of Meeting, the Circular and the form of proxy (collectively, the “**Meeting Materials**”) to Depositories and Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either (i) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise uncompleted, or (ii) more typically, be given an unsigned voting instruction form which must be properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or the Depository.

In the former case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and submit it to Equity Financial Trust Company at the address set forth in the Notice of Meeting. In the latter case, the Non-Registered Shareholder will usually be given a page of instructions which contains a removable label containing a bar-code and other information. In order for the voting instruction form to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form, properly complete and sign the form and submit it to the Intermediary or Depository in accordance with the instructions of the Intermediary or Depository.

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder wish to attend and vote at the Meeting, or any reconvened meeting following any adjournment thereof, in person (or have another person attend and vote on their behalf), the Non-Registered Shareholder should strike out the persons named in the proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided or, in the case of the proxy authorization form, follow the corresponding instructions on the form. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary or Depository, including those regarding when and where the proxy or proxy authorization form is to be delivered and may be revoked.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

As at the date hereof, to the knowledge of the Directors and Officers, none of the Directors or Officers who have been a Director or Officer at any time since January 1, 2011, nor any proposed nominee for election as a Director, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the approval of the Option Extension Resolution (as defined herein).

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

AGT is authorized to issue an unlimited number of Common Shares, the rights, privileges and restrictions attaching which are set out in AGT's annual information form, dated March 27, 2012 ("**AIF**"). As at May 15, 2013, there were 19,865,521 Common Shares issued and outstanding. Shareholders are entitled to vote their Common Shares at Shareholder meetings on the basis of one vote for each Common Share held.

The Carme Trust (the "**Trust**") holds 5,182,601 Common Shares, representing approximately 26.09% of the issued and outstanding Common Shares, calculated on a non-diluted basis. Mr. Murad Al-Katib, the President and Chief Executive Officer of AGT, is the sole trustee of the Trust and therefore has voting control over the Common Shares held by the Trust. Other than the foregoing, to the knowledge of AGT, no other person beneficially owns, directly or indirectly, or exercises control or direction over, in excess of 10% of the votes attaching to the outstanding Common Shares.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. FINANCIAL STATEMENTS**

The audited consolidated financial statements of AGT for the year ended December 31, 2012, the auditor's report on such financial statements, and management's discussion & analysis ("**MD&A**") for the year ended December 31, 2012 are posted on AGT's website, [www.alliancegrain.com](http://www.alliancegrain.com), and are available under AGT's profile on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). Copies of AGT's annual and quarterly financial statements and MD&A may be obtained from AGT upon request (see "**Additional Information**").

### **2. ELECTION OF DIRECTORS**

The term of office of each of the present Directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. All of the nominees are currently Directors. Each Director elected will hold office until the close of business of the next annual meeting of Shareholders or until his successor is elected or appointed, unless his office is earlier vacated due to death, removal, resignation or ceasing to be duly qualified.

The following table sets forth, for each of the Directors, the individual's name, province and country of residence, as applicable, principal occupation and the date on which the individual was appointed as a trustee of Alliance Grain Traders Income Fund (the "**Fund**"), the predecessor of AGT, if applicable. Other than Drew Franklin and John Gardner, each of the individuals listed below has been a director of AGT since its incorporation on July 2, 2009.

NAME AND PROVINCE AND COUNTRY OF RESIDENCE	TRUSTEE OF THE FUND / DIRECTOR OF AGT SINCE	NUMBER OF COMMON SHARES BENEFICIALLY OWNED OR CONTROLLED OR DIRECTED (AS AT MAY 30, 2013)	PRINCIPAL OCCUPATION
Murad Al-Katib Saskatchewan, Canada	August 1, 2007	5,485,979 <sup>(3)(5)</sup>	President and CEO, AGT; President and CEO, Alliance Pulse Processors Inc. (“ <b>Alliance</b> ”)
Hüseyin Arslan Mersin, Turkey	January 31, 2008	Nil	Executive Chairman, AGT; President, the Arbel Group (as defined below). Director of certain companies owned by the Arslan family
Howard N. Rosen <sup>(1)(2)</sup> Ontario, Canada	November 30, 2004	23,000 <sup>(4)</sup>	Senior Managing Director, FTI Consulting
John Gardner <sup>(1)(2)</sup> Ontario, Canada	June 28, 2011	1,000	Consultant
Drew Franklin <sup>(1)(2)</sup> Wisconsin, U.S.A.	June 18, 2012	Nil	Vice President, S.C. Johnson

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) 133,008 Common Shares are held by Mr. Al-Katib directly, and 170,370 Common Shares are held by Al-Katib Consulting Inc., a corporation controlled by Mr. Al-Katib.

(4) 5,000 Common Shares are held by Mr. Rosen directly and 18,000 are held by Randy Rosen, Mr. Rosen’s wife.

(5) 5,182,601 Common Shares are held by the Trust, of which Mr. Al-Katib is the sole trustee.

Mr. Al-Katib and Mr. Arslan are also the sole directors of Alliance. Mr. Al-Katib is also the sole director and officer of each of the subsidiaries of Alliance, and Mr. Arslan is also a director of Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş. (“**Arbel**”), Durum Gıda Sanayi ve Ticaret A.Ş. (“**Durum**”) and Turkpulse Diş Ticaret A.Ş. (“**Turkpulse**”, and together with Arbel and Durum, the “**Arbel Group**”).

Mr. Rosen and Mr. Franklin have been engaged for more than five years in their principal occupation listed above. Mr. Gardner has been a consultant since September 2008 and prior to that was the Executive Chairman of Genesis Worldwide Inc. from May 2006 to August 2008. With the exception of Mr. Arslan’s recent appointment as Executive Chairman, each of Mr. Al-Katib and Mr. Arslan held a similar position with the Fund as he now holds with AGT, as set forth below.

**Murad Al-Katib.** Mr. Al-Katib founded Saskcan Pulse Trading Inc. (“**Saskcan**”) in 2001 with Mr. Arslan, and led its expansion as a processor and seller of pulses and specialty crops over the next six years as the company’s President and Chief Executive Officer (“**CEO**”). After the amalgamation of Saskcan and the Fund’s then operating company, Agtech Processors Inc. (“**Agtech**”), in August 2007, Mr. Al-Katib joined the board of trustees of the Fund, and assumed the role of President and CEO of the Fund’s new amalgamated operating company, Alliance. In January 2008 he was appointed Chairman of the board of trustees of the Fund and on the conversion of the Fund from an open-ended unit trust to a dividend-paying corporation (the “**Conversion**”), he was appointed President and CEO and a director of AGT. Mr. Al-Katib graduated from the University of Saskatchewan with a Bachelor of Commerce with Distinction in Finance and finished his Master of International Management with Distinction from the American Graduate School of International Management (Thunderbird) in Arizona. In 2005, he was elected to board of directors of the Canadian Special Crops Association (“**CSCA**”) and Pulse Canada, the national association for the pulses and specialty crops industry where he has served in various capacities and is currently the Chair of Pulse Canada. Murad also serves as the Chair of the Advisory Board for Small and Medium Enterprise for the Canadian Minister of International Trade. Murad has received many business awards and accolades including the

Prairie Regional Winner of the Ernst and Young Emerging Entrepreneur in 2004, being selected as one of Canada's Top 40 under 40 years old in Canada by the Caldwell Partners and the Globe and Mail and was awarded the Saskatchewan Centennial Medal as an outstanding business leader by Saskatchewan's Lieutenant-Governor in 2006. Most recently, Mr. Al-Katib was awarded a Queen's Silver Jubilee Medal by Canada's Governor General in 2012.

**Hüseyin Arslan.** Mr. Arslan was one of the founding shareholders of Saskcan, which was acquired by the Fund and merged with Agtech in August 2007. For the last 15 years, Mr. Arslan has been the General Manager of Arbel. He also serves as a director of Durum and Turkpulse and of certain companies owned by his family. He is a director of Alliance, was appointed a trustee of the Fund on January 31, 2008, and on the Conversion was appointed Executive Chairman and a director of AGT. Mr. Arslan holds a Bachelor of Science in Electronics Engineering from Middle East Technical University in Turkey and has over two decades of experience in the trading of agricultural and food products globally. He is also an elected member of the executive committee of the International Pulse Processors and Exporters Federation.

**Howard N. Rosen.** Mr. Rosen is the senior managing director of FTI Consulting, a business and regulatory consulting firm. From April 2004 to March 2009, he was the managing director of LECG Canada, Ltd., also a business and regulatory consulting firm. Before that he was a principal of LRTS from May 1998 to April 2004, and a partner with Arthur Andersen from June 1992 to May 1998. He is a former director and member of the audit committee of The Medipattern Corporation, having resigned in February 2013. Mr. Rosen was also a director of Betacom Corp. from October 2002 to November 2003. Mr. Rosen holds a Bachelor of Business Administration degree from the York University Business School, and is a Chartered Accountant, Chartered Business Valuator, Accredited Senior Appraiser, and Certified Fraud Examiner.

**John Gardner.** Mr. Gardner is an experienced financial and business manager with a career including experience in public accounting, the food retail and food service industries. Mr. Gardner currently serves on the board and as chairman of the audit committee for The Econo-Rack Group Inc., Canada's largest manufacturer of industrial racking systems. Other company experience includes serving as a director with Genesis Worldwide Inc., a developer of structural building technology for residential and commercial applications, listed on the TSX and the Alternative Investment Market (AIM) of the London Stock Exchange. In 2006, Mr. Gardner, serving as Executive Chairman of the board of directors, led the Genesis IPO on both exchanges and was instrumental in providing strategic leadership as well as building the board and management for the company. Mr. Gardner also has experience as a past President and CEO of Sysco Food Services of Toronto and past President of Lumsden Brothers Limited, a member of Sobeys Inc. A graduate of The Chartered Directors program from McMaster University and The Conference Board of Canada, Mr. Gardner has a career highlighted by 20 years of executive management and board experience with a number of large public corporations, in Canada and internationally. In 1978, he was admitted to the Newfoundland Institute of Chartered Accountants and was awarded a Fellowship of Chartered Accountants in 1989. Mr. Gardner earned a Master of Business Administration degree in 1984 from Memorial University of Newfoundland where he also completed a Bachelor of Commerce degree in 1975.

**Drew Franklin.** Mr. Franklin has worked extensively in consumer packaged goods with some of the industry's top companies including Procter & Gamble, General Mills and, for the past seventeen years, S.C. Johnson. A graduate of the Sobey's School of Business at Saint Mary's University in Halifax, Mr. Franklin has worked extensively in brand management and sales in North America serving in increasingly senior managerial and officer positions. He oversaw key business units at General Mills Canada, following which he became President and General Manager of S.C. Johnson in Canada. Presently, Mr. Franklin serves as Vice President and is the corporate officer responsible for the Insect Control business of S.C. Johnson at its world headquarters in Racine, Wisconsin. In such capacity, Mr. Franklin was recently transferred to lead the Home Storage Division for S.C. Johnson in North America, its single largest business unit made up of the *Ziploc*, *Saran* and *Space Bags* brands.



The election of each of the nominees indicated above requires the approval by at least a majority of the votes cast thereon.

The Board has adopted a majority voting policy relating to the election of Directors. See “Corporate Governance – Nomination of Directors”.

**Unless a proxy specifies that the Common Shares it represents are to be withheld from voting in favour of the candidates proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of each of the Director nominees proposed above.**

### 3. RE-APPOINTMENT OF AUDITOR

At the Meeting, the Shareholders will be called upon to approve the re-appointment of KPMG LLP (“KPMG”) as auditor of AGT to hold office until the close of the next annual meeting of Shareholders, and to authorize the Directors to establish their remuneration. KPMG was first appointed as auditor of AGT on June 17, 2010. KPMG replaced Virtus Group LLP as auditor of AGT. Virtus Group LLP commenced acting as the auditor of the Fund for the year ended December 31, 2006 and had been the auditor of AGT since its incorporation.

The re-appointment of KPMG requires approval by at least a majority of the votes cast thereon.

**Unless a proxy specifies that the Common Shares it represents are to be withheld from voting in favour of the matter proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the re-appointment of KPMG as auditor of AGT.**

### 4. APPROVAL OF THE OPTION EXTENSION RESOLUTION

At the Meeting, disinterested Shareholders will be asked to consider and approve a resolution (the “**Option Extension Resolution**”) concerning a proposal to extend the expiry date of 333,500 Options held by Management and one Director (collectively, “**Optionholders**”) as set forth in the table below:

OPTIONHOLDER	NUMBER OF OPTIONS	EXERCISE PRICE
Murad Al-Katib	100,000	\$9.00
Lori Ireland	33,500	\$9.00
Gaetan Bourassa	50,000	\$9.00
Huseyin Arslan	100,000	\$9.00
Howard N. Rosen	50,000	\$9.00
<b>Total</b>	333,500	-

These Options are “in the money” and were initially granted by AGT on April 21, 2008 with a five year term expiring April 21, 2013. It is proposed that the expiry date of such Options be extended to April 21, 2014. The Optionholders are not permitted to vote on the Option Extension Resolution.

At a meeting held on April 12, 2013, the disinterested members of the Compensation Committee met to consider the proposal to extend the Options. During their meeting, the disinterested members of the Compensation Committee considered a variety of factors relating to the proposal that the expiry date of these Options be extended to April 21, 2014, including, among other things: (i) the purpose of the Stock Option Plan in the retention and attraction of qualified directors, officers and employees; (ii) that the Stock Option Plan promotes the proprietary interests of AGT and its subsidiaries; (iii) that the Stock Option Plan provides an incentive element in compensation; (iv) that the Stock Option Plan promotes the profitability of AGT and its subsidiaries; (v) that notwithstanding that all of the Options were fully vested and “in the money” during

the last year, the Optionholders chose to not “take money off the table” by exercising their Options and selling the underlying Common Shares, but rather chose to support AGT in a difficult economic and financial climate; and (vi) the trading history, daily volume and general liquidity of the Common Shares over the last year and the potential implications for the price of the Common Shares in the event that all of the Options were exercised and the Common Shares underlying the Options were sold into the market place at the same time.

Following their consideration and discussion, the disinterested members of the Compensation Committee considered it appropriate and approved an extension of the expiry date of the Options for a one year term expiring April 21, 2014, subject to the approval of Shareholders and any applicable regulatory approvals.

Given that the Options were scheduled to expire on April 21, 2013 before the Meeting could reasonably be held to permit Shareholders to consider this matter, at their meeting on April 12, 2013, the disinterested members of the Compensation Committee also approved the conditional exercise of the Options (the “**Conditional Exercise**”) held by the Optionholders on the basis that (i) if Shareholders approve the Option Extension Resolution at the Meeting, the Options would be deemed to have not been exercised and would revert as unexercised Options on their original terms but with a April 21, 2014 expiry date; and (ii) if Shareholders do not approve the Option Extension Resolution at the Meeting, the Options would be deemed to have been exercised on April 19, 2013 and the relevant number of Common Shares would be issued to the Optionholders by AGT promptly following the Meeting.

Due to the special circumstances relating to the expiry of the Options, the proposed option extension and the timing of the Meeting, pursuant to Section 13(b)(v) of the Option Plan, the disinterested members of the Compensation Committee also approved amendments to the terms of the Options through the making of certain loans to the Optionholders in amounts indicated in the table below to fund the exercise price of the Conditional Exercise (the “**Loans**”):

NAME	LOAN AMOUNT (\$)
Murad Al-Katib	900,000
Lori Ireland	301,500
Gaetan Bourassa	450,000
Huseyin Arslan	900,000
Howard N. Rosen	450,000
Total aggregate director and officer indebtedness	3,001,500

Each Loan was approved for a term of one year with interest at The Bank of Nova Scotia’s prime rate plus 0.75%. As security for the payment and performance of his or her obligations in respect of such Loan, each Optionholder was required to grant AGT a security interest in, and assign, mortgage, charge and pledge to AGT, the Common Shares to be issued to them in connection with the Conditional Exercise and all dividends paid on such Common Shares from time to time when such Loan is outstanding. Each Loan is full recourse to the applicable Optionholder. As such, each Optionholder will remain liable to AGT regardless of the value of Common Shares that are pledged as security in connection with their Loan.

On April 19, 2013, (i) the Loans were made by AGT to the Optionholders and the Optionholders executed promissory notes in favour of AGT; (ii) the Optionholders paid the exercise price to AGT (which funds are held in escrow by AGT pending the vote by Shareholders on the Option Extension Resolution); and (iii) the Optionholders conditionally exercised their Options, in each case on the terms described above.

As approved by the disinterested members of the Compensation Committee:

- if Shareholders approve the Option Extension Resolution at the Meeting, the Options will be deemed to have not been exercised and would revert as unexercised Options on their original terms but with a April 21, 2014 expiry date and the Optionholders will immediately repay the Loans; and
- if Shareholders do not approve the Option Extension Resolution at the Meeting, the Options will be deemed to have been exercised on April 19, 2013 and the relevant number of Common Shares will be issued to the Optionholders by AGT promptly following the Meeting.

The disinterested members of the Board recommend that Shareholders vote in favour of the approval of the Option Extension Resolution. The adoption of the Option Extension Resolution requires approval by at least a majority of the dis-interested votes cast thereon. More specifically, the Optionholders, who own or control an aggregate of 5,547,849 Common Shares, are not entitled to vote their Common Shares on the Option Extension Resolution.

**Unless a proxy specifies that the Common Shares it represents are to be voted against the matter proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the Option Extension Resolution.**

## **5. APPROVAL OF THE BY-LAW NO 2. REGARDING THE ADVANCE NOTICE OF THE ELECTION OF DIRECTORS**

At the Meeting, Shareholders will be asked to consider and approve a resolution (the “**Advance Notice By-Law Resolution**”) concerning a proposed advance notice by-law (the “**Advance Notice By-Law**”) of AGT. The text of the Advance Notice By-Law Resolution is set out in Schedule “B” and the Advance Notice By-Law is set out in Schedule “E”. The adoption of the Advance Notice By-Law Resolution requires approval by at least a majority of the votes cast thereon.

Only persons who are nominated in accordance with the procedures set out in the Advance Notice By-Law are eligible for election as Directors. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the Board, as follows:

- (i) by or at the direction of the Board or an authorized officer of AGT, including pursuant to a notice of meeting;
- (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”) or a requisition of Shareholders made in accordance with the provisions of the OBCA; or
- (iii) by any person entitled to vote at such meeting who is, at the close of business on the date of giving the requisite notice and on the record date for notice of such meeting, either entered in the securities register of AGT as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and who has given timely notice in proper written form as set forth in the Advance Notice By-Law.

Among other things, the Advance Notice By-Law fixes a deadline by which Shareholders must submit a notice of director nominations to AGT prior to any annual or special meeting of Shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid.

In the case of an annual meeting of Shareholders, notice to AGT must be given no less than 30 nor more than

65 days prior to the date of the annual meeting provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be given no later than the close of business on the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to AGT must be given no later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice By-Law is expected to allow AGT to receive adequate prior notice of director nominations, as well as sufficient information on the nominees. AGT will thus be able to evaluate the proposed nominees' qualifications and suitability as directors. It is also expected to facilitate an orderly and efficient meeting process.

The Board recommends that Shareholders vote in favour of the approval of the Advance Notice By-Law Resolution.

**Unless a proxy specifies that the Common Shares it represents are to be voted against the matter proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the Advance Notice By-Law Resolution.**

## **6. RE-APPROVAL OF THE OPTION PLAN**

At the Meeting, Shareholders will be asked to consider and approve a resolution (the “**Option Plan Resolution**”) of Shareholders to readopt the Stock Option Plan 2010, as amended (the “**Option Plan**”). The Option Plan was previously approved by Shareholders on June 17, 2010 and pursuant to the rules of the Toronto Stock Exchange (“**TSX**”), is required to be re-approved by Shareholders every three years.

The Option Plan is summarized below under “Executive Compensation – Stock Option Plan”.

The text of the Option Plan Resolution is set out in Schedule “C” and the Option Plan is set out in Schedule “F”. The adoption of the Option Plan requires approval by at least a majority of the votes cast thereon.

**Unless a proxy specifies that the Common Shares it represents are to be voted against the matter proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the resolution to approve the Option Plan.**

## **7. RE-APPROVAL OF THE ESPP**

At the Meeting, Shareholders will be asked to consider and approve a resolution (the “**ESPP Resolution**”) of Shareholders to readopt the employee share purchase plan (the “**ESPP**”) of AGT. The ESPP was previously approved by Shareholders on June 18, 2012 and pursuant to the rules of the Toronto Stock Exchange (“**TSX**”), is required to be re-approved by Shareholders every three years.

The ESPP is summarized below under “Executive Compensation – ESPP”.

The text of the ESPP Resolution is set out in Schedule “D” and the ESPP is set out in Schedule “G”. The adoption of the ESPP requires approval by at least a majority of the votes cast thereon.

**Unless a proxy specifies that the Common Shares it represents are to be voted against the matter proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of the resolution to approve the ESPP.**

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

AGT's compensation practices are designed to attract, retain and motivate highly qualified executive officers, while at the same time promoting a greater alignment of interests between such executive officers and the Shareholders. AGT's compensation practices are intended to provide both immediate and long term rewards to the executive officers that are consistent with individual performance and contribution to AGT's objectives. In addition, AGT's compensation practices are developed with a view to providing competitive compensation that is comparable to that offered by similarly positioned companies in the agri-food processing industry and similar sized public trading companies.

AGT's compensation program is designed to reward the role of AGT's current senior management team in executing AGT's business strategy. Compensation components include base salary, bonus and long term incentives in the form of incentive options. Greater emphasis is placed on the bonus and incentive options components, as AGT believes that such incentives are more effective in aligning the interests of management with the interests of AGT and the Shareholders.

The compensation of the Directors and Officers is set by the Board acting on the recommendations of the Compensation Committee. The Compensation Committee is responsible for evaluating and making recommendations to the Board regarding the compensation of the Directors and Officers, the directors and officers of AGT's subsidiaries, and the compensation plans, policies and programs of AGT and its subsidiaries. The Compensation Committee is made up of the three independent Directors and has the sole discretion to award, increase or reduce the compensation of the Directors and Officers, subject to applicable law and regulatory guidelines. See also "Summary Compensation Table" below.

The Compensation Committee reviews AGT's compensation practices from time to time as well as at least annually reviewing the base salary, incentive bonus and Options provided to the Directors and Officers. The Compensation Committee retains outside advisors, as needed, to verify that the compensation practices are reasonable, are achieving AGT's compensation objectives and are consistent with AGT's market. The Compensation Committee considers the risks associated with AGT's compensation policies and practices and has not identified any risks that are reasonably likely to have a material adverse effect on AGT. In addition, AGT has well defined risk management programs, multiple levels of internal controls and management information systems which help to alleviate any risk that any executive officer or other employee at a principal business location might take inappropriate or excessive risks.

#### *Base Salary*

AGT pays its Officers a competitive base salary to provide a guaranteed income commensurate with the Officer's position. In determining the base salary of an Officer, the Compensation Committee considers and generally places equal weight on (i) the particular responsibilities related to the position, (ii) salaries paid by comparable agri-businesses to their executives, (iii) the experience level of the Officer, and (iv) the Officer's overall performance. AGT places less emphasis on base salaries, preferring instead to incentivize compensation. Base salary affects the other elements of compensation only in that incentive elements are typically based on specified percentages of base salary.

#### *Incentive Bonus*

AGT pays incentive bonuses to encourage its executive officers to perform to the best of their abilities and to tie compensation to AGT's success. Management and key employees of AGT receive incentive bonuses on an annual basis according to a formula based on a number of criteria including relative earnings performance

versus budget, performance of AGT versus a peer group, achievement of certain other qualitative and quantitative measures, market share, market position, financial management, risk management and corporate infrastructure development. Bonuses are allocated on the same criteria as base salary, with a greater emphasis on the Officer's performance during the year. Incentive bonuses are granted to provide current compensation to Officers when AGT performs well.

#### *Incentive Option Plan*

AGT has an incentive option plan to provide additional long-term incentives to the directors, officers and employees of AGT and its subsidiaries. Incentive options are granted based on the same criteria as base salary, with a greater emphasis on the Officer's performance during the year. Options are granted to provide additional compensation to Officers when AGT performs well. This element of incentive compensation is not only designed to reward Officers for past-performance, but is also designed to provide increased incentive to continue to strive to improve AGT's success. See "Stock Option Plan" below for additional details.

Following the completion of the fiscal year, the CEO presents an evaluation of AGT's performance, compared to its objectives, to the Compensation Committee. The CEO also presents the recommended bonus payments and option grants for each of his direct reports to the Compensation Committee. The Board, on recommendation from the Compensation Committee, has final approval of the amounts paid to the CEO and his direct reports under such incentive plans.

Officers and Directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such Officers and Directors subject to compliance with applicable law.

#### *Stock Option Plan*

In 2009, AGT established a stock option plan (the "**Stock Option Plan 2009**"). The Board, upon the recommendation of the Compensation Committee, approved the replacement of the Stock Option Plan 2009 with Option Plan governing the issuance of Options, which was ratified by the Shareholders on June 17, 2010. The principal purposes of the Plan are to retain and attract qualified directors, officers, employees and service providers which AGT and its subsidiaries require, to promote a proprietary interest in AGT, to provide an incentive element in compensation, and to promote the profitability of AGT. Provided below is a summary of the Plan's material terms, as required by Subsection 613(d) of the TSX Company Manual:

##### *Administration*

The Board administers the Option Plan, but administration may be delegated to one or more directors of AGT or to a committee of the Board. The Board has the authority to determine, among other things, the persons to whom Options are granted, the number, exercise price, term and vesting schedule (if any) of such options.

##### *Eligible Optionees*

The persons eligible to receive Options under the Option Plan (the "**Optionees**") are any directors, officers and employees of AGT and/or of corporations owned or controlled by AGT ("**Subsidiaries**") and persons or companies who provide services to AGT or its Subsidiaries on an ongoing basis, or have provided or are expected to provide a service or services to AGT or its Subsidiaries ("**Consultants**"), including individuals employed by a person or company providing services to the Company or its Subsidiaries ("**Management**").

**Company Employees**”) which are required for the ongoing successful operation of the business enterprise of AGT (collectively, “**Eligible Participants**”). Options may also be granted to a company (an “**Eligible Holding Company**”, and, all Eligible Holding Companies, together with Eligible Participants, “**Eligible Optionees**”) which is wholly-owned by an Eligible Participant (an “**Eligible Holding Company Shareholder**”), if such Eligible Holding Company and Eligible Holding Company Shareholder undertake in writing in favour of the Company not to effect or permit any direct or indirect transfer of ownership of securities of such Eligible Holding Company, nor to issue further securities in such Eligible Holding Company to any other individual or entity other than the Eligible Holding Company Shareholder, so long as any Options granted to such Eligible Holding Company remain outstanding, in each case without the prior written consent of the Company.

#### *Common Shares Reserved*

As at May 15, 2013, the maximum number of Common Shares which may be reserved for issuance on the exercise of Options is 1,191,931 Common Shares, or six percent (6%) of the number of voting shares of AGT issued and outstanding from time to time (i.e. the Option Plan has a “rolling maximum” instead of a fixed maximum). As a result, should AGT issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly. The Option Plan is considered an “evergreen” plan, since the Common Shares issued pursuant to the Option Plan will increase as the number of issued and outstanding Common Shares increases. The number of options currently outstanding is 758,500 which represents approximately 3.82% of the current issued and outstanding Common Shares (or 425,000, if the Option Extension Resolution is not approved by Shareholders given that the 333,500 Options that are the subject of the Option Extension Resolution will be deemed to have been exercised). As a result there are currently 433,431 Options available for future grant which represents 2.18% of the current issued and outstanding. As at May 15 2013, 196,500 Options have been exercised under the Option Plan, representing approximately 1% of the issued and outstanding Common Shares. In the event of the exercise, expiry or termination of an Option governed by the Option Plan, the Common Shares reserved for issuance pursuant to such expired or terminated Option shall become available for the grant of other Options.

#### *Limits*

The aggregate number of Options: (i) issued to insiders of AGT within any one year period, and (ii) issuable to insiders of AGT, at any time, under the Option Plan or any other security based compensation arrangements, shall not exceed 10% (on a non-diluted basis) of the total number of voting shares of AGT issued and outstanding from time to time, respectively. Any Options granted to an Eligible Holding Company shall be included in the calculation of the Options held by an Eligible Holding Company Shareholder of such Eligible Holding Company. Subject to certain adjustments, the number of Common Shares reserved for issuance to Eligible Optionees from time to time pursuant to Options governed by the Option Plan shall not exceed 6% of the total number of voting shares of AGT issued and outstanding from time to time.

### *Exercise Price*

The exercise price of each Option shall be determined in the sole discretion of the Board at the time of the granting of the Option, provided that the Exercise Price shall not be lower than the volume weighted average trading price of the Common Shares on the TSX, or such other stock exchange where the majority of the trading volume and value of the Common Shares occurs, for the five TSX trading days immediately preceding the grant date of the Option (the “**Grant Date**”), calculated by dividing the total value by the total volume of Common Shares traded for such five TSX trading day period (excluding internal crosses and other special terms trades excluded by the TSX from their calculation of volume weighted average trading price for such period).

### *Vesting*

All Options granted pursuant to the Option Plan shall vest at such time as the Board, in its sole discretion, may determine on or prior to the Grant Date and specify in the relevant Option Agreement (as defined in the Option Plan), provided, however, that if the Board does not so determine and specify, then such Options shall vest as to equal thirds on each of the first, second and third anniversaries of the Grant Date.

### *Term*

All Options shall be for a term and have an expiry date that is determined in the sole discretion of the Board at the time of the granting of the Options, provided that no Option shall have a term exceeding ten (10) years. In the event that the Board does not determine the term and expiry date for an Option on or prior to the Grant Date, then such Option shall have a term of five (5) years.

### *Expiry on Termination*

All outstanding Options shall immediately terminate and become null, void and of no effect on the expiry date of such Options. Moreover, if an Eligible Participant or an Eligible Holding Company Shareholder ceases to be eligible to receive Options under the Option Plan, such Eligible Participant or Eligible Holding Company Shareholder’s Options (to the extent that they have vested at the time of termination) will be exercisable until the earlier of the Options’ expiration date and (i) one year from the date of retirement, (ii) 90 days from the date the Eligible Participant or Eligible Holding Company Shareholder ceases to be actually and actively employed on voluntary resignation or termination without cause, or (iii) immediately on the date the Eligible Participant or Eligible Holding Company Shareholder, as applicable, is given notice of termination for cause, after which time the options will terminate and be of no further force and effect. In the event that the Eligible Participant or Eligible Holding Company Shareholder should die, such Eligible Participant or Eligible Holding Company Shareholder’s heirs or administrators, as applicable, may exercise any portion of the outstanding vested Options prior to the earlier of the expiry date of such Options and one year from the Eligible Participant or Eligible Holding Company Shareholder’s death.

### *Adjustment*

The Board may make such adjustment in the Option Plan and in the Options granted under the Option Plan as the Board may in its sole discretion deem appropriate to prevent dilution or enlargement of the rights granted to, or available for, holders of Options in the event (i) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise, (ii) of any distribution of Common Shares or securities exchangeable for or convertible into Common Shares to holders of Common Shares (other than such distribution issued at the option of Shareholders in lieu of substantially equivalent cash distributions), (iii) that any rights are granted to holders of Common Shares to purchase Common Shares at prices greater than 15% below the prevailing market price (as determined by the Board), or (iv) that



as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other securities.

#### *Change of Control*

In the event of an actual or potential Change of Control (as defined in the Option Plan), the Board may, in its sole discretion without the necessity or requirement for the agreement of any Eligible Optionee: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any outstanding Options; (ii) permit the conditional exercise of any Option, on such terms and conditions as it sees fit; (iii) otherwise amend or modify the terms and conditions of the Options, including for greater certainty so as to permit Eligible Optionees to exercise Options on a “cashless” basis, to assist the Eligible Optionees to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control or to obtain the advantage of holding the underlying Common Shares during such Change of Control; and (iv) terminate, following the successful completion of such Change of Control, on such terms and conditions as it sees fit, the Options not exercised prior to the successful completion of such Change of Control.

#### *Amendment*

Except as set out below, the Board may make any amendments in its sole discretion, subject to the ongoing requirements of applicable law and the rules of the TSX, including, without limitation (i) of a “housekeeping” nature; (ii) reducing the number of Common Shares reserved from time to time for issuance under Options granted under the Option Plan, or issuable upon the exercise of any Option; (iii) extend the term of any previously granted Option, whether vested or unvested, including in connection with the retirement, voluntary resignation or termination, termination for cause, or death of an Eligible Participant or an Eligible Holding Company Shareholder, or in any other circumstances from time to time, provided any such extension shall not provide for a term in excess of ten (10) years from the original Grant Date; (iv) accelerate the vesting of any previously granted unvested Option; (v) increase the Exercise Price of any Option; (vi) cancel any Option; (vii) add or amend terms relating to the provision of financial assistance to Eligible Optionees or resulting in Eligible Optionees receiving any securities of AGT while no cash consideration is received by the Company, including pursuant to a cashless exercise feature; (viii) add a deferred or restricted share unit or any other provision which results in Eligible Optionees receiving securities of AGT or rights thereto while no cash consideration is received by AGT; (ix) amendments in respect of the persons eligible to participate in the Option Plan; (x) as are necessary for the purpose of complying with any changes in any applicable law, rule, regulation or policy of any securities regulatory authority, stock exchange or other governmental entity having jurisdiction over AGT; and (xi) amendments to correct or rectify any ambiguity, defective provision, error or omission in the Option Plan, without the approval of the Shareholders. Shareholder approval will be required for (i) any increase in the fixed maximum percentage of securities which may be reserved for issuance under the Option Plan; (ii) a reduction in the Exercise Price of any Option benefitting an insider of AGT or an amendment to Section 5 “Exercise Price” of the Option Plan; (iii) an extension of the term of any Option granted to an insider of AGT; (iv) any other amendment for which any applicable law or rules of the TSX or other stock exchange upon which the Common Shares are listed or quoted require approval by the Shareholders; (v) any amendment to the insider participation limit; and (vi) a change to the amendment provisions of the Option Plan.

#### *No Transfer*

All Options granted under the Option Plan are non-assignable, provided that an Eligible Optionee may, with the prior written approval of AGT, assign Options held by him or her, subject to the terms and conditions upon which the Option is granted, to a registered retirement savings plan or registered retirement income fund with respect to which such Eligible Optionee is, during his or her lifetime, the sole beneficiary thereof.

Any purported assignment or transfer of Options in contravention of the foregoing shall not be recognized by AGT and shall result in the immediate expiry and termination of any such Options and any rights relating thereto.

The 333,500 Options that are the subject of the Option Extension Resolution represent approximately 1.68% of the current issued and outstanding Common Shares. An additional 425,000 un-vested Options are outstanding representing approximately 2.14% of the current issued and outstanding Common Shares. No other Options are outstanding under the Option Plan.

During the last fiscal year no amendments to the Option Plan have been approved.

### *ESPP*

All full-time and part-time employees of AGT and its subsidiaries are eligible to participate in the ESPP, subject to the discretion of AGT. Participants in the ESPP (“**Participants**”) accumulate funds for the purchase of Common Shares through payroll deductions. A Participant may elect to contribute an amount during each regular payroll period of not less than 1% of the Participant’s pro rata base salary for the payroll period and not more than (i) in the case of Participants other than managers who have signed an employment agreement, \$200 and (ii) in the case of Participants that are managers and who have signed an employment agreement, 10% of the Participant’s pro rata base salary for the payroll period (a “**Participant Contribution**”). On the last day of each fiscal quarter of AGT (a “**Purchase Date**”), all Participant Contributions received since the last Purchase Date and any dividends paid on Common Shares in a Participant’s account will be used to purchase Common Shares.

For every two Common Shares purchased on each Purchase Date on behalf of a Participant, AGT will award to such Participant one notional Common Share (a “**Matching Share Award**”). Matching Share Awards will vest at such time as the Board may determine, provided that the default vesting provisions of Matching Share Awards shall be as to 50% on the second anniversary date of a Purchase Date and as to the remainder on the third anniversary date of the Purchase Date (a “**Vesting Date**”). On each Vesting Date, Common Shares to which a Participant is entitled will be purchased on behalf of a Participant and a cash amount equal to the amount of dividends that would have been earned on Matching Share Awards if the underlying Common Shares had been issued and outstanding from the Purchase Date to the Vesting Date will be credited to the Participant’s account.

### *Issuance of Common Shares*

Common Shares that are purchasable on a Purchase Date or Vesting Date may, at the discretion of AGT, be purchased through open-market purchases or issued from treasury. If issued from treasury, such Common Shares will be issued for a price equal to the volume weighted average trading price of the Common Shares on the TSX for the five (5) consecutive trading days immediately preceding the Purchase Date or Vesting Date, as applicable.

Subject to the provision for certain adjustments provided for in the ESPP and summarized below, the number of Shares reserved for issuance to Participants from time to time under the ESPP will not exceed four percent (4%) of the total number of Common Shares and other voting securities of AGT issued and outstanding from time to time. Upon the issuance of any Common Shares from treasury pursuant to Participant Contributions or through the redemption of Matching Share Awards, such number of Common Shares so issued will be automatically reserved again for future issuance. As a result, the ESPP is considered an “evergreen” plan since the Common Shares permitted to be issued pursuant to the ESPP will increase as the number of issued and outstanding Common Shares of AGT increases.

### *Limits*

Under the ESPP, together with any other security-based compensation arrangements of AGT, including the Option Plan, the aggregate number of Common Shares that may be issuable to insiders of AGT may not exceed 10% of the issued and outstanding Common Shares and the aggregate number of Common Shares issued to insiders within a one-year period cannot exceed 10% of the issued and outstanding Common Shares. As at May 15, 2013, the maximum number of Common Shares which may be reserved for issuance under the ESPP is 794,620, or four percent (4%) of the number of voting shares of AGT issued and outstanding from time to time (i.e. the ESPP has a “rolling maximum” instead of a fixed maximum). There are currently no Common Shares issued and outstanding pursuant to the ESPP.

### *Term*

Where a Participant’s employment with AGT terminates for any reason other than death, disability or retirement, all Matching Share Awards awarded to the Participant shall be forfeited. Where a Participant’s employment with AGT terminates due to death, the Vesting Date with respect to all Matching Awards will be the date that is 15 days following the date of death. Where a Participant’s employment terminates as a result of disability or retirement, the Vesting Date with respect to all Matching Share Awards shall be the date of disability or retirement.

### *No Transfer*

The interest of any Participant in the ESPP shall not be assignable either by voluntary assignment or by operation of law, except upon death.

### *Administration*

The ESPP provides the Board with discretion, subject to prior approval of the TSX, to make certain adjustments to the number of Common Shares underlying Matching Share Awards upon the occurrence of certain events to prevent dilution or enlargement of the rights of a Participant. Such events include (i) any change in the Common Shares through a subdivision, consolidation, reclassification, amalgamation, plan of arrangement or merger, (ii) a distribution of Common Shares or securities exchangeable for or convertible into Common Shares to Shareholders, (iii) the issuance of any rights to Shareholders to purchase Common Shares at a discount greater than 15% below the prevailing market price, or (iv) the Common Shares being converted into or exchangeable for any other securities as a result of a recapitalization, plan of arrangement, merger or consolidation. The Board may also accelerate any vesting terms of outstanding Matching Share Awards or otherwise amend any terms and conditions of outstanding Matching Share Awards upon a change of control of AGT.

### *Amendment*

The ESPP can be amended by the Board at any time, without the approval of the Shareholders, provided that amendments to (a) increase the fixed maximum percentage of securities which may be reserved for issuance under the ESPP, (ii) amend the insider participation limits under the ESPP and (c) amend the amendment provision of the ESPP to eliminate a matter listed as requiring Shareholder approval, will in each case require Shareholder and TSX approval. AGT may also, at any time by a resolution of the Board, terminate the ESPP. The Board may, in its sole discretion, without obtaining any approval of Shareholders, make any other amendments to the ESPP, or any Matching Share Award granted under the ESPP, including, without limitation:

- (a) amendments of a “housekeeping” nature;

- (b) reduction of the number of Common Shares reserved from time to time for issuance under the ESPP;
- (c) the acceleration of the vesting of any previously granted unvested Matching Share Award;
- (d) the cancellation of a Matching Shares Award;
- (e) any amendment in respect of the persons eligible to participate in the ESPP;
- (f) such amendments as are necessary for the purpose of complying with any changes in any applicable law, rule, regulation or policy of any securities regulatory authority, stock exchange or other governmental entity having jurisdiction over AGT; and
- (g) amendments to correct or rectify any ambiguity, defective provision, error or omission in the ESPP.

#### *Compensation Comparator Report*

In 2010, the Board, on the recommendation of the Compensation Committee, engaged Mercers (Canada) Limited (“**Mercers**”) to prepare reports on AGT’s director and executive compensation. Mercers completed a review of the compensation levels of the individuals who served in the capacity of President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and three other senior officers of AGT relative to a comparator group. The 14 peer companies chosen for comparison were; Canada Bread Ltd., Cott Corp., GrainCorp, Sino-Forest Corp, Colabor Group Inc., SunOpta, Norbord Inc., High Liner Foods Inc., Western Forest Products Inc., Chemtrade Logistics Income Fund, Lassonde Industries Inc., Premium Brands Inc., Sun Gro Horticulture Income Fund and Rogers Sugar Income Fund (the “**comparator group**”). The comparator group was picked based on the following criteria: revenues that approximate one-half to two-times that of AGT, market capitalization similar to AGT, organizations with an international scope to their business and organizations in similar lines of business and/or operations as AGT including food distribution and production, agricultural products, industrial and consumer commodities and transportation and/or logistics.

Mercers compared AGT’s compensation for its executive officers against the comparator group and provided its findings in an executive compensation review dated June 30, 2010. Mercers’ report found that the annual base salaries of the executives were generally positioned below the 25<sup>th</sup> percentile of the market. Mercers recommended that the majority of the executives receive an increase to their base salaries in order to be competitive with the market median of the comparator group

The report noted that AGT’s exceptional performance had resulted in above market annual bonuses but that the lack of annual long-term incentive grants resulted in the executives’ total direct compensation being positioned at or below the median of the market for their respective benchmark matches. The report recommended implementing target and maximum annual incentive opportunities for all executives consistent with the market median to formalize AGT’s annual incentive plan and support internal equity. Mercers also recommended that formal share ownership guidelines be put in place for the executives and noted that the executives’ share ownership already met the recommended levels.

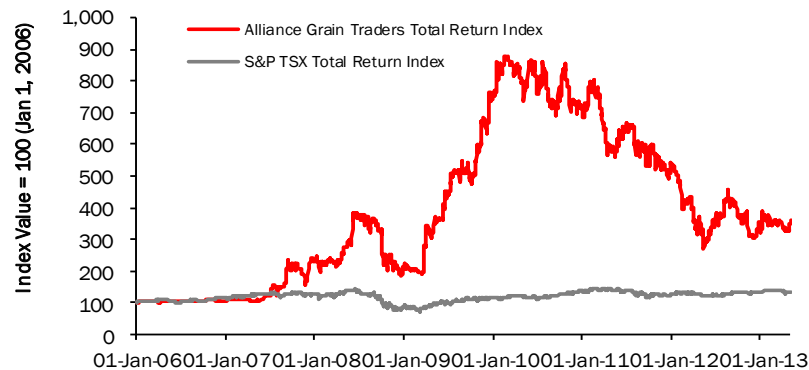
Mercers compared AGT’s director compensation against the compensation provided to directors in the comparator group and provided its findings and recommendations in a director compensation review dated June 30, 2010. Mercers’ report found that AGT’s director compensation program was positioned at the 25<sup>th</sup> percentile of the comparator group and in the bottom quartile of the broader Canadian market.

Mercers' recommended that the typical director (i.e. a director that attends 8 Board meetings and sits on 2 Board committees with 4 meetings each but does not chair either committee) receive total compensation of \$60,000. The recommended compensation level for the Vice Chair was \$80,000. The report also recommended considering implementing a travel fee for significant time spent travelling to/from Board meetings. In addition Mercers' recommended that share ownership guidelines be put in place for the directors and that 50% of the directors' base retainer be paid in deferred share units.

Following receipt of the Mercers reports, the Board made certain adjustments to AGT's compensation system on the basis of the conclusions reached, and recommendations made, in such reports. AGT recently formalized a long-term incentive plan ("**LTIP**") and is in the process of setting performance metrics for management in connection with LTIP awards. Review of compensation practices is an on-going process and recommendations with respect to compensation will continue to be examined by the Compensation Committee.

### *Performance Graph*

The following graph compares AGT's cumulative total Shareholder (or, pre-Conversion, Unitholder) return to the S&P TSX Total Return Index, assuming reinvestment of dividends (or, pre-Conversion, distributions) and considering a \$100 investment on January 1, 2007.



The trend shown by this graph with respect to the first four years reflects the trend in AGT's compensation paid to the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, as at December 31, 2012 whose total compensation for the year was, individually, more than \$150,000 (the "**Named Executive Officers**" or "**NEOs**") in that the NEO's salaries increased with the success of AGT to reflect such success and to provide the NEOs with compensation comparable to similar sized public companies. In the last couple of years, the market price of the Common Shares has decreased; however, in accordance with Mercers recommendations and benchmarked to other companies in similar industries, the NEOs' salaries have not.

### *Option-based Awards*

The grant of option-based awards to Officers is determined as discussed above under "Incentive Option Plan". The principal factor that governs the granting and allocation of Options is the expected contribution of the recipient to the success of AGT. Previous grants of Options are taken into account when considering new grants, because the Plan is subject to certain limits. See the summary of the Plan set out above under "Stock

Option Plan”.

Options are granted by the Board on the recommendation of the Compensation Committee. The Compensation Committee is also responsible for reviewing the Plan and making recommendations for amendments, as applicable. The Board may make certain amendments to the Plan; however, other amendments, particularly those of a more substantial nature, must be approved by the Shareholders. NEOs that are also Directors have a role in amending the Plan to the extent that Board approval is required.

### Summary Compensation Table

The following table sets forth the aggregate remuneration paid or payable by AGT to the NEOs for the years ended December 31, 2010, 2011 and 2012.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	OPTION BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		ALL OTHER COMP.	TOTAL COMP. (\$)
				Annual Incentive Plans <sup>(1)</sup> (\$)	Long- term Incentive Plans <sup>(2)</sup>		
Murad Al-Katib <sup>(3)</sup> President and CEO	2012	480,000	230,000	175,000	220,000	38,400	1,143,400
	2011	480,000	N/A	250,000	275,000	38,400	1,043,400
	2010	480,000	N/A	300,000	275,000	38,400	1,093,400
Lori Ireland CFO	2012	220,000	115,000	100,000	105,000	17,600	557,600
	2011	220,000	N/A	140,000	130,000	17,600	507,600
	2010	220,000	N/A	170,000	130,000	17,600	537,600
Gaetan Bourassa COO	2012	360,000	172,500	165,000	190,000	28,800	916,300
	2011	360,000	N/A	235,000	235,000	28,800	858,800
	2010	360,000	N/A	275,000	235,000	28,800	898,800
Huseyin Arslan <sup>(4)</sup> Executive Chairman	2012	360,000	230,000	N/A	220,000	18,000	828,000
	2011	360,000	N/A	N/A	275,000	18,000	653,000
	2010	360,000	N/A	N/A	275,000	18,000	653,000
Mahmut Arslan Senior Vice President	2012	200,000	N/A	N/A	100,000	18,000	318,000
	2011	200,000	N/A	N/A	100,000	18,000	318,000
	2010	200,000	N/A	N/A	130,000	18,000	348,000

<sup>(1)</sup> Incentive bonuses are accrued at year end and are paid in accordance with AGT’s policy on incentive bonuses.

<sup>(2)</sup> These awards were approved in 2010 by the Board, on the recommendation of the Compensation Committee, following certain of the recommendations made in the Mercers report discussed under “Executive Compensation - Compensation Comparator Report” and were granted subject to the finalization and approval of the terms of a definitive long-term incentive plan.

<sup>(3)</sup> The CEO is also a Director. The CEO is not compensated for his services as a director.

<sup>(4)</sup> The Executive Chairman is also a Director. The Executive Chairman is not compensated for his services as a director.

## Narrative Discussion

The three elements of NEO compensation described above under “Compensation Discussion and Analysis” are disclosed in the table under salary, annual incentive plans and option-based awards, respectively. In addition, the NEOs are entitled to an amount equal to 10% of annual base salary, for contribution to an individual retirement plan.

## Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain information, as of the end of AGT’s most recently completed financial year, with respect to Common Shares authorized for issuance pursuant to AGT’s equity compensation plans.

PLAN CATEGORY	NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS <sup>(2)</sup>
Equity compensation plans approved by security holders <sup>(1)</sup>	758,500 <sup>(2)</sup>	\$11.08	1,228,052
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	758,500	\$11.08	1,228,052

(1) These options were granted under the Unit Plan, which was approved by the Unitholders prior to the Conversion.

(2) Assuming the Option Extension Resolution is approved by Shareholder. If the Option Extension Resolution is not approved by Shareholders then the 333,500 Options that are the subject of the Option Extension Resolution will be deemed to have been exercised and 858,431 Common Shares will be available for future issuance under equity compensation plans.

## Incentive Plan Awards

### Outstanding Option-Based Awards

The following table sets forth all option-based awards granted to the NEOs and Directors that remain outstanding as of the end of the most recently completed financial year.

NAME	OPTION-BASED AWARDS			
	NUMBER OF SHARES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS
	(#)	(\$)		(\$) <sup>(1)</sup>
Murad Al-Katib CEO, President & Director	100,000	\$9.00	April 21, 2014 <sup>(2)</sup>	406,000
	100,000	\$12.71	April 16, 2017	230,000
Lori Ireland CFO	33,500	\$9.00	April 21, 2014 <sup>(2)</sup>	136,010
	50,000	\$12.71	April 16, 2017	115,000
Gaetan Bourassa COO	50,000	\$9.00	April 21, 2014 <sup>(2)</sup>	203,000
	75,000	\$12.71	April 16, 2017	172,500
Huseyin Arslan Executive Chairman & Director	100,000	\$9.00	April 21, 2014 <sup>(2)</sup>	406,000
	100,000	\$12.71	April 16, 2017	230,000
Mahmut Arslan Senior Vice President	Nil	N/A	N/A	N/A

Howard N. Rosen Director	50,000 50,000	\$9.00 \$12.71	April 21, 2014 <sup>(2)</sup> April 16, 2017	203,000 115,000
John Gardner Director	25,000	\$12.71	April 16, 2017	57,500
Drew Franklin Director	25,000	\$12.71	June 18, 2017	83,250

- (1) For the purposes of attributing a value to the unexercised in-the-money Options, AGT has calculated the amount based on the difference between the market value of the Common Shares at the end of the most recently completed financial year and the exercise price of the Options. This amount may not represent the actual value of the Options which ultimately vest, as the value of the Common Shares underlying the Options may be of greater or lesser value on vesting. For the purposes of attributing a value to the unexercised in-the-money Options, AGT has calculated the amount based on the Black-Scholes option pricing formula.
- (2) Subject to the approval of the Option Extension Resolution by Shareholders at the Meeting. If the Option Extension Resolution is not approved by Shareholders at the Meeting, the 333,500 Options that are the subject of the Option Extension Resolution will have been deemed to have been exercised.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth all option-based awards granted to the NEOs and Directors that vested during the most recently completed financial year and the non-equity incentive plan compensation earned by the NEOs and Directors during such year.

NAME	OPTION-BASED AWARDS — VALUE VESTED DURING THE YEAR (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION — VALUE EARNED DURING THE YEAR (\$)
Murad Al-Katib President, CEO & Director	33,333	395,000
Lori Ireland CFO	16,667	205,000
Gaetan Bourassa COO	25,000	355,000
Huseyin Arslan Executive Chairman & Director	33,333	220,000
Mahmut Arslan Senior Vice President	Nil	118,000
Howard N. Rosen Director	Nil	N/A
John Gardner Director	Nil	N/A
Drew Franklin Director	Nil	N/A

### *Narrative Discussion*

400,000 Options were granted on April 16, 2012 and 25,000 Options were granted on June 18, 2012, in each case at a \$12.71 exercise price. 108,333 of the 333,500 Options that are the subject of the Option Extension Resolution vested on April 21, 2012. No other Options are outstanding under the Plan.

### **Director Compensation**

The total compensation paid or payable to the Directors for the year ended December 31, 2012 was \$200,750.



The following table shows the compensation paid or payable to each Director for the year ended December 31, 2011, except Mr. Al-Katib and Mr. Arslan. As noted under footnote 2 to the summary compensation table, Mr. Al-Katib is both the President and Chief Executive Officer and a Director. In addition, as noted under footnote 3 to the summary compensation table, Mr. Arslan is both an NEO and a Director. Mr. Al-Katib and Mr. Arslan are not compensated for their services as Directors.

*Director Compensation Table*

NAME	FEES EARNED (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Howard N. Rosen	80,000	Nil	80,000
John Gardner	60,417	Nil	60,417
Drew Franklin	30,167	Nil	30,167
Denis C. Arsenault	30,166	Nil	30,166

*Narrative Discussion*

The Directors are entitled to compensation for services rendered to AGT in their capacity as directors. The Vice Chair of the Board is entitled to \$66,000 per year and the other Directors are entitled to \$46,000 per year. All Directors are entitled to an additional \$1,500 for each meeting of the Board (or any committee thereof) attended in person (\$750 for attendance by telephone). The chair of the audit committee of the Board is entitled to an additional annual fee of \$10,000 and the chair of the compensation committee of the Board is entitled to an additional annual fee of \$5,000. The Directors are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Board or any committee thereof.

**Summary Change of Control Agreement**

AGT has entered into change of control agreements (the “**Agreements**”) with each of the NEOs. The Agreements provide that in the event of a Change of Control (as defined in the Agreements) of AGT and an Involuntary Termination (as defined in the Agreements) of the employment of the NEO within two years of the date of the Change of Control or a voluntary resignation of employment within 120 days following the first anniversary of the date of a Change of Control, AGT shall pay to the NEO a lump sum equal to:

- an amount equal to a multiple of the NEO’s annual base salary immediately prior to the date of the Change of Control;
- an amount equal to a multiple of the NEO’s annual bonus and incentive compensation prior to the date of the Change of Control. Such amount shall be determined based on the average annual bonus, discretionary bonus and incentive compensation paid to the NEO during the two years prior to the calendar year in which the Change of Control occurs; and
- an amount equal to a multiple of the annual costs to AGT of all benefits provided to the NEO immediately prior to the date of the Change of Control.

The applicable multiple in respect of the CEO and the Executive Chairman is 2.5, in respect of the COO is 2, and in respect of the CFO and the Senior Vice President is 1.5.

The amounts of the severance payments that would have been made to each of the NEOs as at December 31, 2012 in the event of a termination following a Change of Control as described above would have been:

Murad Al-Katib, \$2,647,583; Lori Ireland, \$783,986; Gaetan Bourassa, \$1,748,406; Huseyin Arslan, \$1,233,825; and Mahmut Arslan, \$500,295.

The Agreements provide that the NEO shall not, either during his employment or for a period of eighteen months following the termination of his employment; (i) induce or attempt to induce any of the employees of AGT or any of its subsidiaries to leave their employment and/or (ii) without the consent of AGT, which consent shall not be unreasonably withheld, contact or solicit any clients of AGT or any of its subsidiaries for the purpose of selling to those customers any products or services which may be the same as or substantially similar to, or in any way competitive with, the products or services sold by AGT or any of its subsidiaries at the time of the NEO's termination.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Except for the Loans described under "Approval of the Option Extension Resolution", as at the date hereof, no Director, Officer or employee of AGT, nor former Director, Officer or employee of AGT, is or during the year ended December 31, 2012 has been indebted to AGT or any of its subsidiaries (other than indebtedness that has been entirely repaid before the date hereof or that is routine indebtedness as defined in Form 51-102F5), nor has the indebtedness of any of them to another entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by AGT or any of its subsidiaries.

### **CORPORATE GOVERNANCE**

As Shareholders are aware, a series of guidelines, rules, regulations, listing standards and legislation has been passed or adopted over the last several years to assist companies in establishing best practices and to address concerns about governance. These include National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") and the TSX rules and regulations.

#### **The Board**

##### *Independence of the Board*

Three of the five current members of the Board are independent within the meaning of NI 58-101, Mr. Rosen, Mr. Gardner and Mr. Franklin. Mr. Al-Katib is not independent, as he is an officer of each of AGT and Alliance. Mr. Arslan is not independent, as he is an officer of each of AGT, Arbel, Durum and Turkpulse. The Vice Chair of the Board is an independent Director and provides leadership for the independent Directors.

To help ensure that the Board functions independently of management, the independent Directors hold regularly scheduled meetings, including meetings that follow Board meetings, at which members of management are not present. In addition, the Board has two committees, the Audit Committee and the Compensation Committee, each of which is composed entirely of independent Directors. The compensation of the officers of AGT and its subsidiaries is considered in the absence of management by the Compensation Committee of the Board at least once a year.

##### *Directorships with Other Reporting Issuers*

None of the Directors hold directorships with other reporting issuers.

### *Board Attendance*

During the 2012 financial year, the Board held 6 meetings, the Audit Committee held 4 meetings and the Compensation Committee held 1 meeting, in each case, in addition to matters that were approved by written resolutions. All meetings of the Board, the Audit Committee and the Compensation Committee during this period were attended by all members.

### *Board Mandate*

Although the Board does not have a formal written mandate, it has adopted, on an informal basis, certain roles and responsibilities. The Board oversees and monitors the performance of AGT in the context of the long-term interests of the Shareholders. It promotes a culture of integrity and responsibility and, together with management of AGT, develops a process for the timely and accurate public disclosure of material information. Although the Board has delegated the day-to-day management of the business and affairs of AGT to its senior management, it is actively involved in strategic planning and takes responsibility for monitoring the implementation of such plans. In addition, the Board takes responsibility for corporate governance and has financial accountability. The Board also monitors and assesses the integrity of internal controls, management information systems and risk management strategies developed and implemented by management.

### *Position Descriptions*

The Board has not developed written position descriptions for any of the chair of the Board and the chair of each committee of the Board. However, the Board has established a written charter for each of the Audit Committee and the Compensation Committee, which sets out their respective duties and responsibilities. The role of the chair of each such committee is to provide leadership to the committee in the performance of its functions as set out in the charter. The role of the chair of the Board is to provide leadership to the Board in the performance of its functions as described above under “Board Mandate”. A written position description has been developed for the CEO.

### *Orientation and Continuing Education*

The Board does not have a formal program for the orientation and education of new members. New members are briefed on their responsibilities by counsel to AGT and are introduced to the business of AGT through meetings with senior employees and tours of the business operations, so that they have a clear understanding of such business operations. New directors receive an orientation binder containing relevant historical material to assist them in learning about AGT. In addition, the Board receives relevant articles and reports regarding the agri-food processing industry and AGT’s particular business, strategy and governance.

### *Ethical Business Conduct*

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with the Board’s commitment to ensuring the ethical operation of AGT’s business, AGT and its subsidiaries have adopted a formal code of ethics.

Directors are required to notify management of AGT in writing of the existence of any personal or professional relationships which may create a conflict of interest with AGT or with a customer, supplier or

other outside party. In addition, Directors are required to disclose to the Board any material interest in any proposed transaction or agreement to be entered into by AGT which is subject to Board approval.

#### *Nomination of Directors*

The Board does not at present have a nominating committee or a written policy for the nomination of new Directors. However, the Board considers the appropriate size of the Board with a view to facilitating effective decision making, the competencies and skills that the Board as a whole should possess and the competencies and skills of the existing Directors when considering potential additions to the Board. Potential Board nominees are identified by Board members and management from time to time. The competencies and skills of any proposed nominee for Director, as well as whether such proposed nominee will be able to devote sufficient time and resources to his/her duties as a member of the Board, are taken into account when considering specific nominees. The views of the independent Directors are given more weight to encourage an objective nomination process.

The Board has adopted a majority voting policy relating to the election of Directors. Pursuant to this policy, any nominee for Director who, in an uncontested election, receives a greater number of Shareholder votes withheld than number of Shareholder votes in favour will promptly submit his or her resignation to the Board for consideration following the meeting. Such proposed resignations will be considered by Directors other than the individual who submitted a resignation and such Directors may choose to accept or reject the resignation. The Directors' decision to accept or reject such resignation may be based on any states reasons including, among other things, the length of service and the qualifications of the nominee, the nominee's contributions to AGT, the effect such resignation may have on AGT's ability to comply with any applicable governance rules and policies and the dynamics and composition of the Board. AGT will issue a press release within 90 days following the date of the meeting disclosing if the Directors accepted or rejected the resignation. If the proposed resignation is rejected, the reasons therefor will also be included in the press release. In the even the proposed resignation is accepted, the Board may (i) leave the resultant vacancy unfilled until the next annual general meeting; (ii) fill the vacancy through the appointment of a new nominee whom the Board considers to merit the confidence of Shareholders; or (iii) call a special meeting of Shareholders at which one or more nominees will be presented to fill the vacant position(s).

#### *Compensation*

The Compensation Committee assists the Board in the discharge of its responsibilities with respect to matters relating to human resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Composition Committee is composed entirely of independent Directors: Mr. Rosen, Mr. Gardner and Mr. Franklin. The Compensation Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of the Directors, the Officers and the directors and officers of AGT's subsidiaries. In addition, the Compensation Committee reviews and makes recommendations with respect to AGT's compensation plans, policies and programs (including incentive compensation plans). Each of the independent directors has extensive business experience in public and private corporations and has held senior management positions with responsibility for the management of large numbers of professional staff and development and implementation of compensation practices and policies. For additional details, see the biographies under "Election of Directors".

The Compensation Committee meets on an as-needed basis, with at least one meeting per year to consider executive compensation. In 2012, the Compensation Committee met one time. For further information regarding the process by which the Compensation Committee and the Board determine the compensation of the Directors and the Officers see "Executive Compensation".

In 2010, the Compensation Committee sought proposals from executive compensation consultants, following which Mercers was retained to assist in a review of AGT's compensation practices. The comparative data provided by Mercers was considered by the Compensation Committee and certain compensation adjustments have been made in light of Mercers' recommendation. See "Executive Compensation - Compensation Comparator Report". The Compensation Committee may engage a consultant in 2012-2013 to assist in the development of the performance metrics in connection with the LTIP. Mercers has not provided any services to AGT, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to the compensation services disclosed above. The Board or the Compensation Committee would have to pre-approve any other services Mercers, or any of its affiliates, provided to AGT at the request of management of AGT.

Mercers was paid fees for preparing and presenting its reports to the Compensation Committee in 2010 and for subsequent discussions with management in connection therewith in 2011 to enable them to provide compensation recommendations to the Compensation Committee, such fees are set out below:

Year	Executive Compensation Related Fees	All Other Fees
2010	\$42,753	NIL
2011	\$911	NIL

No fees were paid to Mercers in 2012.

#### *Assessment*

Due to the small size of the Board, there is no formal process for evaluating the effectiveness and contribution of the Board, its committees and the individual Directors. The Board satisfies itself as to effective performance by informal discussion both by the full Board at Board meetings and by the independent Directors at meetings of the independent Directors. Assessment with respect to the effectiveness and contribution of the Audit and Compensation Committees takes into consideration the charters of such Committees.

### **DIRECTORS AND OFFICERS INSURANCE**

AGT's directors and officers insurance was renewed on September 15, 2012. The amount of the annual premium paid by AGT was \$53,750; no amount was payable by the directors or officers in respect of such insurance. The insurance policy is subject to a \$10,000,000 limit, both per claim and in the aggregate. A \$50,000 deductible applies to each claim by AGT on its own behalf and on behalf of each director and officer insured for indemnity.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No Director, Officer or other person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of AGT, or any associate or affiliate of any such person, has had any material interest in any transaction or proposed transaction of AGT since January 1, 2012, which has materially affected or is reasonably expected to materially affect AGT or any of its subsidiaries.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

KPMG LLP, chartered accountants, is the auditor of AGT and has been nominated for re-appointment to hold office until the next annual general meeting of Shareholders and at such remuneration as may be set by the Board.

The transfer agent and registrar for the Common Shares is Equity Financial Trust Company at its principal office in Toronto, Ontario.

### **ADDITIONAL INFORMATION**

Additional information relating to AGT is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in AGT's comparative financial statements and MD&A for the financial year ended December 31, 2011, which is posted on AGT's website, [www.alliancegrain.com](http://www.alliancegrain.com), and under AGT's profile on SEDAR. Shareholders may request, and receive free of charge, copies of such financial statements and MD&A by sending a request to AGT's transfer agent, Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593.

### **APPROVAL**

The contents and sending of this Circular have been approved by the Board.

**DATED** the 15<sup>th</sup> day of May, 2013.

### **ON BEHALF OF THE BOARD OF DIRECTORS**



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Murad Al-Katib  
President and Chief Executive Officer

**SCHEDULE "A"**  
**OPTION EXTENSION RESOLUTION**

BE IT RESOLVED THAT:

1. The expiry date of all of the outstanding 333,500 options ("**Options**") to acquire common shares of Alliance Grain Traders Inc. ("**AGT**") that were scheduled to expire on April 21, 2013 is hereby extended to April 21, 2014, subject to the approval of the TSX.
2. Any disinterested director of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director may deem necessary or desirable in order to carry out the foregoing resolution, the authority for the execution of such documents, agreements, promissory notes, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “B”**  
**ADVANCE NOTICE BY-LAW RESOLUTION**

BE IT RESOLVED THAT:

1. By-Law No. 2, being a By-Law relating to Advance Notice Provisions for the nomination of Directors of Alliance Grain Traders Inc. (“**AGT**”), the full text of which is reproduced in Schedule “E” to the Management Proxy Circular of AGT dated May 15, 2013, is hereby approved, ratified and confirmed;
2. Any director of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director may deem necessary or desirable in order to carry out the foregoing resolution, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.



**SCHEDULE “C”**  
**OPTION PLAN RESOLUTION**

BE IT RESOLVED THAT:

1. The Stock Option Plan 2010, as amended (the “**Option Plan**”), in the form attached as Schedule “F” to the Circular, is approved and adopted as the stock option plan of Alliance Grain Traders Inc. (“**AGT**”) and AGT has the ability to continue granting options under the Option Plan until June 27, 2016, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval of the Option is being sought;
2. The unallocated options granted under the Option Plan are hereby approved;
3. Upon the valid exercise of any options granted under the Option Plan, including the payment of the applicable exercise price, the underlying common shares in the capital of AGT (“**Common Shares**”) shall be issued from treasury as fully paid and non-assessable Common Shares; and
4. Any director of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “D”**  
**EMPLOYEE SHARE PURCHASE PLAN RESOLUTION**

BE IT RESOLVED THAT:

1. The employee share purchase plan (the “**ESPP**”), in the form attached as Schedule “G” to the Circular, is approved and adopted as the employee share purchase plan of Alliance Grain Traders Inc. (“**AGT**”) and AGT has the ability to continue granting common shares in the capital of AGT under the ESPP, until June 27, 2016, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval of the Option is being sought; and
2. Any director of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “E”**  
**BY-LAW NO. 2**  
**A BY-LAW RELATING TO ADVANCE NOTICE PROVISIONS**  
**FOR THE NOMINATION OF DIRECTORS**

**Nomination of Directors**

1. Only persons who are nominated in accordance with the procedures set out in this Advance Notice By-Law (the “**By-Law**”) shall be eligible for election as directors to the board of directors (the “**Board**”) of Alliance Grain Traders Inc. (“**AGT**”). Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the Board, as follows:
  - (a) by or at the direction of the Board or an authorized officer of AGT, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Ontario Business Corporations Act* (the “**Act**”) or a requisition of shareholders made in accordance with the provisions of the Act; or
  - (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in Section 3 below and on the record date for notice of such meeting, either entered in the securities register of AGT as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this By-Law.
2. For the avoidance of doubt, the foregoing Section 1.1c) shall be the exclusive means for any Nominating Shareholder to bring nominations for election to the Board before any annual or special meeting of shareholders of AGT, provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly brought before such meeting pursuant to the provisions of the Act or the discretion of the chair of the meeting.
3. For a nomination made by a Nominating Shareholder to be accepted as timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the corporate secretary of AGT at its principal executive offices:
  - (a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date of the meeting: provided, however, if the first public announcement made by AGT of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by AGT; and
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by AGT.
4. The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In

no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

5. To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Section 5 and:

(a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "Proposed Nominee"):

- (i) their name, age, business and residential address, principal occupation or employment for the past five years, status as a "resident Canadian" (as such term is defined in the Act);
- (ii) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of AGT, including the number or principal amount and the date(s) on which such securities were acquired;
- (iii) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee and the Nominating Shareholder;
- (iv) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and
- (v) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the Toronto Stock Exchange; and

(b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice or on whose behalf the nomination is made:

- (i) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of AGT, including the number or principal amount and the date(s) on which such securities were acquired;
- (ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of AGT or the person's economic exposure to AGT;
- (iii) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of AGT or the nomination of directors to the Board;
- (iv) a representation that the Nominating Shareholder is a holder of record of securities of AGT, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
- (v) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of AGT in connection with such nomination or otherwise solicit proxies or votes from shareholders of AGT in support of such nomination; and

- (vi) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law; and
  - (c) be accompanied by a questionnaire, representation and agreement as required by 6 below, duly completed and signed, and a written consent duly signed by each Proposed Nominee to being named as a nominee and to serve as a director of AGT, if elected.
- 6. A completed questionnaire as required by Section 5c) shall be in the form provided by the corporate secretary (upon written request of the Nominating Shareholder), and shall include:
  - (a) information regarding the background, independence and qualification of each Proposed Nominee and the background of each Nominating Shareholder; and
  - (b) a written representation and agreement (in the form provided by the corporate secretary upon written request of the Nominating Shareholder) confirming, among other things, that such Proposed Nominee is not and will not become a party to any agreement, arrangement or understanding with, or has not given any commitment or assurance to, any person, as to how such person, if elected as a director of AGT, will act or vote on any issue or question, or with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of AGT, that has not been disclosed to AGT.
- 7. All information to be provided in a Timely Notice pursuant to Section 5 shall be provided as of the date of such notice. If requested by AGT, the Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.
- 8. If requested by AGT, a Proposed Nominee shall furnish any other information as may reasonably be required by AGT to determine the eligibility of such Proposed Nominee to serve as a director of AGT or a member of any committee of the Board, with respect to independence or any other relevant criteria for eligibility, or that could be material to a shareholder's understanding of the independence or eligibility, or lack thereof, of such Proposed Nominee, including but not limited to an affidavit confirming eligibility serve as a director under the Act.
- 9. Notwithstanding any provision of By-Law No. 1 of AGT, any notice, or other document or information required to be given to the corporate secretary pursuant to this By-Law may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the corporate secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the corporate secretary at the address of the principal executive offices of AGT, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- 10. Additional Matters
  - (a) The chair of any meeting of shareholders of AGT shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this By-Law, and if any proposed

nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.

- (b) Despite any other provision of this By-Law, if the Nominating Shareholder (or a qualified representative of the shareholder) does not appear at the meeting of shareholders of AGT to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by AGT.
- (c) Nothing in this By-Law shall obligate AGT or the Board to include in any proxy statement or other shareholder communication distributed by or on behalf of AGT or the Board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
- (d) The Board may, in its sole discretion, waive any requirement of this By-Law.

For the purposes of this By-Law, “public announcement” means disclosure in a press release disseminated by AGT through a national news service in Canada, or in a document filed by AGT for public access under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) in Canada.

## **SCHEDULE “F” OPTION PLAN**

**WHEREAS** the board of directors (the “**Board**”) of Alliance Grain Traders Inc. (the “**Company**”) replaced the Stock Option Plan 2009 with a new stock option plan (the “**Plan**”) governing the issuance of options (the “**Options**”) to acquire common shares in the capital of the Company (“**Common Shares**”) to directors, officers and employees of the Company and/or of corporations owned or controlled by the Company (“**Subsidiaries**”) and to persons or companies who provide services to the Company or its Subsidiaries on an ongoing basis, or have provided or are expected to provide a service or services to the Company or its Subsidiaries (“**Consultants**”), including individuals employed by a person or company providing services to the Company or its Subsidiaries (“**Management Company Employees**”) which are required for the ongoing successful operation of the business enterprise of the Company.

**AND WHEREAS** the Board subsequently amended the Plan to comply with certain changes in applicable tax laws relating to withholding and remittance requirements regarding stock options.

**AND WHEREAS** the Board and shareholders of the Company have approved an employee share purchase plan (the “**ESPP**”) that provides that the number of Common Shares reserved for issuance to participants of the ESPP from time to time under the ESPP shall not exceed 4% of the total number of Voting Shares (as defined in the ESPP) issued and outstanding from time to time

**AND WHEREAS** the Board now wishes to amend the Plan to provide that the number of Shares reserved for issuance hereunder be reduced to 6% of the number of Voting Securities (as defined below) issued and outstanding from time to time, such that the total number of Shares issuable from time to time under the ESPP and the Plan combined shall not exceed 10% of the total number of Voting Shares issued and outstanding from time to time.

### **1. Purposes**

The principal purposes of this Plan are:

- (a) to retain and attract qualified directors, officers, employees and service providers which the Company and its Subsidiaries require;
- (b) to promote a proprietary interest in the Company and its Subsidiaries;
- (c) to provide an incentive element in compensation; and
- (d) to promote the profitability of the Company and its Subsidiaries.

### **2. Reservation of Common Shares**

- (a) Subject to Section 9 of this Plan, the number of Common Shares reserved for issuance to Eligible Optionees (as hereinafter defined) from time to time pursuant to Options granted under the Stock Option Plan 2009 and under this Plan shall not exceed ten percent (6%) of the total number of Voting Shares (as defined below) issued and outstanding from time to time. In the event of the expiry or termination of an Option granted under the Stock Option Plan 2009 or under this Plan, the Common Shares reserved for issuance pursuant to such expired or terminated Option shall become available for the grant of other Options.

(b) For the purposes of this Plan, “**Voting Shares**” means all securities of all classes of shares of the Company that are entitled to vote at meetings of shareholders of the Company (“**Shareholders**”), and for greater certainty shall include the Common Shares.

### **3. Eligibility**

Options shall be granted only to persons or companies who are directors, officers, employees, Consultants or Management Company Employees of the Company or of a Subsidiary (“**Eligible Participants**”). Options may also be granted to a company (an “**Eligible Holding Company**”, and, all Eligible Holding Companies, together with Eligible Participants, “**Eligible Optionees**”) which is wholly-owned by an Eligible Participant (an “**Eligible Holding Company Shareholder**”) if such Eligible Holding Company and Eligible Holding Company Shareholder undertake in writing in favour of the Company not to effect or permit any direct or indirect transfer of ownership of securities of such Eligible Holding Company, nor to issue further securities in such Eligible Holding Company to any other individual or entity other than the Eligible Holding Company Shareholder, so long as any Options granted to such Eligible Holding Company remain outstanding, in each case without the prior written consent of the Company.

### **4. Granting of Options**

(a) The Board may from time to time grant Options to Eligible Optionees. At the time an Option is granted, the Board shall determine the number of Common Shares available for purchase under the Option, the Exercise Price (as defined below) of the Option, the vesting date of the Option, the term or expiry date of the Option and, subject to the other provisions of this Plan, all other terms and conditions of the Option.

(b) The aggregate number of Options:

- (i) issued to insiders of the Company within any one year period, and
- (ii) issuable to insiders of the Company, at any time,

under this Plan, together with all of the Company’s other security based compensation arrangements, shall not exceed 10% of the total number of Voting Shares issued and outstanding from time to time, respectively.

(c) The number of Voting Shares issued and outstanding shall be determined on a non-diluted basis. Any Options granted to an Eligible Holding Company shall be included in the calculation of the Options held by an Eligible Holding Company Shareholder of such Eligible Holding Company.

### **5. Exercise Price**

The exercise price (the “**Exercise Price**”) of each Option shall be determined in the sole discretion of the Board at the time of the granting of the Option, provided that the Exercise Price shall not be lower than the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”), or such other stock exchange where the majority of the trading volume and value of the Common Shares occurs, for the five TSX trading days immediately preceding the grant date of the Option (the “**Grant Date**”), calculated by dividing the total value by the total volume of Common Shares traded for such five TSX trading day period (excluding internal crosses and other special terms trades excluded by the TSX from their calculation of volume weighted average trading price for such period).



## **6. Term, Vesting and Exercise Periods**

- (a) All Options shall be for a term and have an expiry date that is determined in the sole discretion of the Board at the time of the granting of the Options, provided that no Option shall have a term exceeding ten (10) years. In the event that the Board does not determine the term and expiry date for an Option on or prior to the Grant Date, then such Option shall have a term of five (5) years.
- (b) All Options granted pursuant to this Plan shall vest at such time as the Board, in its sole discretion, may determine on or prior to the Grant Date and specify in the relevant Option Agreement (as defined below), provided, however, that if the Board does not so determine and specify, then such Options shall vest as to equal thirds on each of the first, second and third anniversaries of the Grant Date.
- (c) All outstanding Options shall immediately terminate and become null, void and of no effect on the expiry date of such Options, subject to earlier termination in accordance with Subsections 6(d) and (e), Sections 9, 10, 16 and the other relevant terms and conditions of this Plan.
- (d) All outstanding unvested Options shall immediately terminate and become null, void and of no effect upon the Eligible Optionee, or in the case of an Eligible Holding Company, the Eligible Holding Company Shareholder, ceasing to be at least one of a director, officer, employee, Consultant or Management Company Employee, whether by retirement, voluntary resignation or termination, termination for cause, death or otherwise (and for greater certainty shall not include any notice period that is or is required to be given by any applicable statute or common law).
- (e) Subject to Subsection 6(f) and Sections 9, 10 and 16 of this Plan, but notwithstanding any other provisions of this Plan:
  - (i) in the event of retirement of an Eligible Participant or an Eligible Holding Company Shareholder, all vested Options held by such Eligible Participant or Eligible Holding Company, as applicable, shall immediately terminate and become null, void and of no effect upon the earlier of the expiry date of such Options and one (1) year from the date of retirement;
  - (ii) in the event of voluntary resignation or termination without cause of an Eligible Participant or an Eligible Holding Company Shareholder, all vested Options held by such Eligible Participant or Eligible Holding Company, as applicable, shall immediately terminate and become null, void and of no effect on the earlier of the expiry date of such Options and 90 days from the date the Eligible Participant or an Eligible Holding Company Shareholder, as applicable, ceases to be actually and actively employed by the Company or any of its Subsidiaries (and for greater certainty shall not include any notice period that is or is required to be given by any applicable statute or common law);
  - (iii) in the event of the termination for cause of an Eligible Participant or an Eligible Holding Company Shareholder, all vested Options held by such Eligible Participant or Eligible Holding Company, as applicable, shall immediately terminate and become null, void and of no effect on the date on which the Company or any of its Subsidiaries gives a notice of termination for cause to such Eligible Participant or an Eligible Holding Company Shareholder, as applicable (and for greater certainty shall not include any notice period that is or is required to be given by any applicable statute or common law); and
  - (iv) in the event that the Eligible Participant or Eligible Holding Company Shareholder should die, such Eligible Participant or Eligible Holding Company Shareholder's heirs or administrators,

as applicable, may exercise any portion of the outstanding vested Options prior to the earlier of the expiry date of such Options and one (1) year from the Eligible Participant or Eligible Holding Company Shareholder's death.

- (f) Notwithstanding Subsection 6(e) of this Plan, but subject to Sections 6(a), 9, 10 and 16 of this Plan, if the term of any Option (other than an Option held by an Eligible Participant or an Eligible Holding Company Shareholder in circumstances when such Eligible Participant or an Eligible Holding Company Shareholder's employment with the Company or a Subsidiary, as applicable, has been terminated for cause) expires during or on the day immediately following the end of a period during which trading in securities of the Company has been prohibited by the Board, including but not limited to any automatic "black-out period" imposed by the policies of the Board in force from time to time (each, a "**Black-Out Period**"), the term of such Option shall automatically be extended for a fixed period ending on the expiry of five TSX trading days after the end of the Black-Out Period.

## **7. Options Non-Assignable Except in Certain Circumstances**

All Options granted under this Plan are non-assignable, provided that an Eligible Optionee may, with the prior written approval of the Company, assign Options held by him or her, subject to the terms and conditions upon which the Option is granted, to a registered retirement savings plan or registered retirement income fund with respect to which such Eligible Optionee is, during his or her lifetime, the sole beneficiary thereof. Subject to Section 6(e)(iv), any purported assignment or transfer of Options in contravention of the foregoing shall not be recognized by the Company and shall result in the immediate expiry and termination of any such Options and any rights relating thereto.

## **8. Exercise of Options; Payment of Exercise Price**

- (a) Subject to the provisions of this Plan, an Eligible Optionee may exercise an Option from time to time by delivery to the Company at its head office of a written notice of exercise addressed to the Secretary of the Company specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in Canadian funds in full of the applicable Exercise Price by certified cheque or bank draft or other method of immediately payable funds acceptable to the Company, and, if required by the Company, the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable law. All Common Shares issued in accordance with the foregoing shall be issued as fully paid and non-assessable Common Shares. Upon the exercise of an Option, the Eligible Optionee shall have withheld at source all applicable taxes and other withholdings required by law on the benefit realized upon the exercise. The issuance of Common Shares on the exercise of Options is also subject to the receipt by the Company from the Eligible Optionee of such representations, warranties, agreements and undertakings, including as to future dealings in such Common Shares, and all certificates for Common Shares issued on the exercise of Options granted under this Plan shall contain all legends required by applicable law, as the Company or its counsel determines to be reasonably necessary or advisable in order to safeguard against the violation of applicable securities laws or other laws of any jurisdiction.
- (b) The Company may withhold from any amount payable to an Eligible Optionee, either under this Plan or otherwise, such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise of Options or other participation in this Plan ("**Withholding Obligations**"). The Company shall have the right, in its discretion, to satisfy any Withholding Obligations by:
  - (i) selling or causing to be sold, on behalf of any Eligible Optionee, such number of Common Shares issued to the Eligible Optionee on the exercise of Options as is sufficient to fund the Withholding Obligations;

- (ii) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Eligible Optionee by the Company, whether under this Plan or otherwise;
  - (iii) requiring the Eligible Optionee, as a condition of exercise under Section 8(a) to (A) remit the amount of any such Withholding Obligations to the Company in advance; (B) reimburse the Company for any such Withholding Obligations; or (C) cause a broker who sells Common Shares acquired by the Eligible Optionee on behalf of the Eligible Optionee to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company; and/or
  - (iv) making such other arrangements as the Company may reasonably require.
- (c) The sale of Common Shares by the Company, or by a broker engaged by the Company (the “**Broker**”), in accordance with the foregoing will be made on the exchange on which the Common Shares are then listed for trading. The Eligible Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Common Shares on his or her behalf and acknowledges and agrees that:
- (i) the number of Common Shares sold shall, at a minimum, be sufficient to fund with Withholding Obligations net of all selling costs, which costs are the responsibility of the Eligible Optionee and which the Eligible Optionee hereby authorizes to be deducted from the proceeds of such sale;
  - (ii) in effecting the sale of any such Common Shares, the Company or the Broker will exercise its sole judgement as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price;
  - (iii) neither the Company nor the Broker will be liable for any loss arising out of any sale of such Common Shares including any loss relating to the pricing, manner or timing of such sales or any delay in transferring any Common Shares to an Eligible Optionee or otherwise; and
  - (iv) the sale price of Common Shares will fluctuate with the market price of the Common Shares and no assurance can be given that any particular price will be received upon any sale.

## 9. **Adjustment in Certain Circumstances**

Subject to Sections 10 and 16, but notwithstanding any other provision of this Plan, in the event:

- (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any distribution of Common Shares or securities exchangeable for or convertible into Common Shares to holders of Common Shares (other than such distribution issued at the option of Shareholders in lieu of substantially equivalent cash distributions);
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices greater than 15% below the prevailing market price (as determined by the Board); or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other securities;

then in any such case, the Board may make such adjustment in this Plan and in the Options granted under this Plan as the Board may in its sole discretion deem appropriate to prevent dilution or enlargement of the rights granted to, or available for, holders of Options.

## **10. Change of Control**

(a) Subject to Subsection 10(b) and Section 16, but notwithstanding any other provision of this Plan, in the event of:

- (i) a reorganization, amalgamation, merger, plan of arrangement or other business combination (a **“Reorganization”**), other than solely involving the Company and any one or more of its Subsidiaries, with respect to which all or substantially all of the persons who were the beneficial owners of the Common Shares immediately prior to such Reorganization do not, following the completion of such Reorganization, beneficially own, directly or indirectly, more than fifty percent (50%) of the resulting voting rights, on a fully-diluted basis, of the resulting or successor entity, on a fully diluted basis (and for greater certainty, excluding a public offering or private placement of securities of the Company from treasury) or such other transaction pursuant to which the Common Shares are converted into, or exchanged for other property, whether in the form of securities of another corporation, cash or otherwise;
- (ii) the sale to a person, other than a Subsidiary of the Company, of all or substantially all of the Company’s assets; or
- (iii) a formal bid or tender offer for the Common Shares being made (other than by the Company or any Subsidiary, or an employee benefit plan established or maintained by the Company or any Subsidiary) as a result of which the offeror and its affiliates would, if successful, beneficially own, directly or indirectly, fifty percent (50%) or more of the Common Shares then outstanding,

(each of the foregoing (i), (ii) and (iii) being referred to as a **“Change of Control”**), any surviving or acquiring corporation must:

- (i) assume any Option outstanding under this Plan on substantially the same economic terms and conditions as this Plan; or
- (ii) substitute similar stock options (including the right to acquire the same consideration paid to the securityholders of the Company in the transaction effecting the Change of Control) for those Options outstanding under this Plan on substantially the same economic terms and conditions as this Plan.

(b) Subject to Section 16 of this Plan, but notwithstanding Subsection 10(a) or any other provision of this Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Eligible Optionee:

- (i) accelerate, conditionally or otherwise, on such terms and conditions as it sees fit, the vesting date of any outstanding Options;
- (ii) permit the conditional exercise of any Option, on such terms and conditions as it sees fit;
- (iii) otherwise amend or modify the terms and conditions of the Options, including for greater

certainty so as to permit Eligible Optionees to exercise Options on a “cashless” basis, to assist the Eligible Optionees to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control or to obtain the advantage of holding the underlying Common Shares during such Change of Control; and

- (iv) terminate, following the successful completion of such Change of Control, on such terms and conditions as it sees fit, the Options not exercised prior to the successful completion of such Change of Control.

The determination of the Board in respect of any such Change of Control shall for the purposes of this Plan be final, conclusive and binding.

## **11. Expenses**

All fees and expenses incurred by the Company in connection with this Plan shall be borne by the Company. All expenses incurred by an Eligible Optionee in connection with a grant or exercise of Options, including all fees and expenses of financial or legal advisors retained by such Eligible Optionee in connection therewith, shall be borne by the Eligible Optionee.

## **12. Form of Option Agreement**

All Options shall be granted by the Company in the form of an agreement (the “**Option Agreement**”) approved by the Board and that meets the general requirements and conditions set forth in this Plan, applicable law and rules of the TSX or other stock exchange upon which the Common Shares are listed. No grant of Options to an Eligible Optionee shall be effective unless such Eligible Optionee executes such Option Agreement and returns a copy of such Option Agreement to the Company.

## **13. Amendment and Termination of Plan**

(a) The following types of amendments to this Plan shall require the approval of the Board, requisite Shareholder approval and the approval of the TSX or other stock exchange upon which the Common Shares are listed:

- (i) any increase in the fixed maximum percentage of securities which may be reserved for issuance under this Plan;
- (ii) a reduction in the Exercise Price of any Option benefitting an insider of the Company or an amendment to Section 5 of this Plan;
- (iii) an extension of the term of any Option granted to an insider of the Company;
- (iv) any other amendment for which the applicable law or rules of the TSX or other stock exchange upon which the Common Shares are listed or quoted, require approval by the Shareholders;
- (v) any amendment to the insider participation limit set out in Subsection 4(b) of this Plan; and
- (vi) a change to the amendment provisions of this Plan.

(b) Subject to Subsection 13(c) and Section 16 of this Plan, but notwithstanding any other provision of this Plan, or the terms and conditions of any Option granted under this Plan, the Board may, in its sole discretion, without obtaining any approval of Shareholders, make all other amendments to this Plan, or any Option granted under this Plan, that are not of the type contemplated in Subsection 13(a) of this Plan, including, without limitation:

- (i) amendments of a “housekeeping” nature;
- (ii) a reduction of the number of Common Shares reserved from time to time for issuance under Options granted under this Plan, or issuable upon the exercise of an Option;
- (iii) an extension of the term of any previously granted Option, whether vested or unvested, including in connection with the retirement, voluntary resignation or termination, termination for cause, or death of an Eligible Participant or an Eligible Holding Company Shareholder, or in any other circumstances from time to time, provided any such extension shall not provide for a term in excess of ten (10) years from the original Grant Date;
- (iv) the acceleration of the vesting of any previously granted unvested Option;
- (v) an increase in the Exercise Price of any Option;
- (iv) the cancellation of an Option;
- (v) the addition or amendment of terms relating to the provision of financial assistance to Eligible Optionees or resulting in Eligible Optionees receiving any securities of the Company while no cash consideration is received by the Company, including pursuant to a cashless exercise feature;
- (vi) the addition of a deferred or restricted share unit or any other provision which results in Eligible Optionees receiving any securities of the Company or rights thereto while no cash consideration is received by the Company;
- (vii) any amendment in respect of the persons eligible to participate in this Plan;
- (viii) such amendments as are necessary for the purpose of complying with any changes in any applicable law, rule, regulation or policy of any securities regulatory authority, stock exchange or other governmental entity having jurisdiction over the Company; and
- (ix) amendments to correct or rectify any ambiguity, defective provision, error or omission in this Plan.

(c) Notwithstanding Subsections 13(b)(i) to (vii) and Subsection 13(b)(ix), but subject to Subsections 13(b)(viii) and Sections 9, 10 and 16 of this Plan, no amendment to this Plan may alter or impair any term of any Option or any rights pursuant thereto previously granted to any Eligible Optionee in a manner that is materially adverse to such Eligible Optionee without the consent of such Eligible Optionee.

(d) Notwithstanding any other provision of this Plan, the Board may at any time terminate this Plan, provided that no such termination may alter or impair any term of any Option or any rights pursuant thereto previously granted to any Eligible Optionee. If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force at the time of this Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.

#### **14. Administration of this Plan**

(a) The Board shall administer this Plan, and in connection therewith, may from time to time establish and adopt guidelines, rules, regulations and interpretations for carrying out the purposes, provisions and administration of this Plan. The Board’s guidelines, rules, regulations, interpretations and determinations regarding this Plan and any Options granted under this Plan at any time and from time to time shall be conclusive and binding upon the Company and the Eligible Optionees.

(b) The Board may delegate to one or more directors of the Company or to a committee of the Board, on such terms and conditions as it considers appropriate, all or any part of the powers, duties and functions relating to the granting of Options and the administration of this Plan.

(c) No member of the Board, or any person acting pursuant to authority delegated by it hereunder, shall be liable for any action or determination in connection with this Plan made or taken in good faith, and each member of the Board and each such person shall be entitled to indemnification by the Company with respect to any such action or determination.

## **15. Applicable Law**

This Plan shall be governed by and construed in accordance with the laws in force in the Province of Ontario and the federal laws of Canada applicable therein.

## **16. Compliance with Laws**

Notwithstanding any other provision of this Plan: (i) this Plan, and the Options granted under this Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed and the Company shall not be obliged to issue any Common Shares upon purported exercise of Options if such issuance would violate any applicable law or the rules of the TSX or other stock exchange upon which the Common Shares are listed; (ii) the Company shall not be required to issue, register or qualify for resale any Common Shares issuable upon purported exercise of Options pursuant to the provisions of a prospectus or similar document, provided that the Company shall notify the TSX or any other stock exchange on which the Common Shares are listed and any other appropriate regulatory bodies in Canada of the existence of this Plan and the issuance and exercise of Options; and (iii) the Company shall be permitted at any time and from time to time to postpone the issue of any Common Shares pursuant to this Plan and to make any amendment to the terms and conditions of this Plan or any Option granted under this Plan as in the opinion of the Board is reasonably necessary (A) to make this Plan or any Option granted hereunder comply with applicable laws and the rules of the TSX or such other stock exchange; or (B) in order to permit the Company to effect or maintain qualification of this Plan or the Common Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Common Shares and this Plan are exempt from any prospectus or equivalent requirements of any applicable securities laws.

## **17. No Other Rights**

Nothing contained in this Plan, no grant of Options pursuant to this Plan and no Option Agreement entered into in connection with Options granted under this Plan, shall confer upon any Eligible Participant or Eligible Holding Company Shareholder any right to continue in the employment of the Company or a Subsidiary or under any other agreement with the Company or a Subsidiary or affect in any way the right of the Company or any Subsidiary to terminate his or her employment or other agreement at any time; nor shall anything in this Plan, any Option or any Option Agreement be deemed or construed to constitute any agreement, or an expression of intent, on the part of the Company or any Subsidiary to extend the employment or other agreement of any Eligible Participant or Eligible Holding Company Shareholder beyond that time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary, or beyond the time at which he would otherwise be retired or terminated pursuant to the provisions of any contract of employment or service with the Company or any Subsidiary. Nothing contained in this Plan, no grant of Options pursuant to this Plan and no Option Agreement entered into in connection with Options granted under this Plan, shall confer upon any Eligible Optionee the right to receive any future grant of Options. Moreover, nothing contained in this Plan, and no grant of Options pursuant to this Plan and no Option Agreement entered into in connection with Options granted under this Plan shall be deemed to give any Eligible Optionee any rights as a Shareholder other than in respect of Common Shares actually issued to the Eligible Optionee following the due exercise of Options held by him or her (including tendering payment in full of the Exercise Price of the Common Shares in respect of which the Option is being

exercised). For greater certainty, a period of notice, if any, or payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall not be considered as extending the period of employment for the purposes of this Plan, grants of Options pursuant to this Plan and Option Agreements entered into in connection with Options granted under this Plan.

#### **18. Alternative Share Compensation Arrangements**

Notwithstanding any other provision of this Plan, subject to compliance with applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed, the Board may, in its sole discretion, enter into alternative share compensation arrangements with non-resident directors and employees of the Company if the Board determines that, as a result of the tax or other consequences of Option grants under this Plan to such non-resident directors and employees, the tax or other consequences to such non-resident directors and employees are materially adverse to such non-resident directors and employees as compared to the tax or other consequences of Option grants to directors and employees who are residents of Canada. In such circumstances the Board may choose to structure an alternative share compensation arrangement that does not provide material adverse tax or other consequences to such non-resident directors and employees. For greater certainty, any Common Shares issued pursuant to any alternative share compensation arrangements under this Section 18 shall be considered to be Options for the purposes of determining the number of Common Shares issuable pursuant to this Plan in accordance with Section 2 of this Plan. Moreover, nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Optionee, subject to any required prior approval of the TSX or other stock exchange upon which the Common Shares are listed.

#### **19. Options Issued Under Stock Option Plan 2009**

The Company shall be permitted to enter into written agreements (each a “**Rollover Option Agreement**”) with holders of options (“**Prior Options**”) granted by the Company under the Stock Option Plan 2009 of the Company, in a form approved by the Board, for the rollover of Prior Options as Options granted under this Plan, and as of and from the date of such Rollover Option Agreements, such Prior Options shall be governed by and subject to the terms and conditions of this Plan, as if issued pursuant to the terms and conditions of this Plan.

#### **20. Effective Date**

This Plan, and any amendments thereto, shall become effective upon the approval thereof by the Board and, to the extent required by the TSX, the Shareholders.



**SCHEDULE “G”  
EMPLOYEE SHARE PURCHASE PLAN**

**1 Purpose**

- 1.1 This Employee Share Purchase Plan has been established to enable Employees to acquire Shares in AGT in a convenient and systematic manner, so as to encourage a proprietary interest in the operation, growth and development of the Corporation.

**2 Definitions and Interpretation**

- 2.1 “**Account**” means the account to be established in respect of each Participant for purposes of the Plan.
- 2.2 “**Administrator**” means SG Vestia Systems Inc., or such other independent administrator as may be appointed by AGT from time to time to administer the Plan.
- 2.3 “**Administration Agreement**” means the administration agreement between the Corporation and the Administrator governing the administration of the Plan.
- 2.4 “**AGT**” or “**Corporation**” means Alliance Grain Traders Inc., and any successor thereto.
- 2.5 “**Base Salary**” means the regular base salary or wages of a Participant received or to be received from the Corporation for the Participant’s service with respect to a particular Fiscal Year, excluding any overtime, bonuses or other compensation with respect to such Fiscal Year and excluding any Matching Share Awards, Underlying Dividend Amounts or other benefits received by the Participant under the Plan.
- 2.6 “**Black-Out Period**” means any period during which trading of Shares by certain persons is restricted pursuant to the Corporation’s policies, corporate governance practices and/or as may be established by the Board from time to time.
- 2.7 “**Board**” means the board of directors of AGT.
- 2.8 “**Canadian Resident**” means a resident of Canada for purposes of the Income Tax Act (Canada).
- 2.9 “**Change of Control**” means:
- (a) a reorganization, amalgamation, merger, plan of arrangement or other business combination (a “**Reorganization**”), other than solely involving the Corporation and any one or more of its Subsidiaries, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares immediately prior to such Reorganization do not, following the completion of such Reorganization, beneficially own, directly or indirectly, more than fifty percent (50%) of the resulting voting rights, on a fully-diluted basis, of the resulting or successor entity, on a fully diluted basis (and for greater certainty, excluding a public offering or private placement of securities of the Corporation from treasury) or such other transaction pursuant to which the Shares are converted into, or exchanged for other property, whether in the form of securities of another corporation, cash or otherwise;

- (b) the sale to a person, other than a Subsidiary of the Corporation, of all or substantially all of the Corporation's assets; or
  - (c) a formal bid or tender offer for the Shares being made (other than by the Corporation or any Subsidiary, or an employee benefit plan established or maintained by the Corporation or any Subsidiary) as a result of which the offeror and its affiliates would, if successful, beneficially own, directly or indirectly, fifty percent (50%) or more of the Shares then outstanding.
- 2.10 "**Disability**" means disabled in accordance with, and in receipt of income replacement benefits under, the Corporation's long-term disability policy.
- 2.11 "**Employee**" means a full-time or part-time employee of the Corporation or any of its Subsidiaries, and for greater certainty, does not include employees who have received notice of termination of employment.
- 2.12 "**Fiscal Year**" means the fiscal year of the employer of the Participant.
- 2.13 "**Insider**" means an "insider" as defined in the TSX Company Manual.
- 2.14 "**Market Price**" means the volume weighted average trading price of the Shares on the TSX for the five (5) consecutive trading days immediately preceding the relevant Purchase Date or Vesting Date, as applicable.
- 2.15 "**Matching Share Award**" means a notional share awarded to a Participant in accordance with Section 7.
- 2.16 "**Maximum Specified Amount**" means:
- (a) in respect of all Participants, other than managers that have signed an employment agreement with the Corporation or one of its Subsidiaries in a form acceptable to the Corporation or such Subsidiary, the amount of \$200 for each regular payroll period; and
  - (b) in respect of all Participants that are managers who have signed an employment agreement with the Corporation or one of its Subsidiaries in a form acceptable to the Corporation or such Subsidiary, 10% of the Participant's pro rata Base Salary for each regular payroll period.
- 2.17 "**Non-Active Participant**" means a Participant who ceases to contribute to the Plan in accordance with Section 5.3 but who maintains an account balance with the Plan.
- 2.18 "**Option Plans**" means, collectively, the AGT Amended Stock Option Plan 2010 and the Stock Option Plan 2009.
- 2.19 "**Participant**" means an Employee who has applied and agreed to participate in the Plan in accordance with the terms of the Plan and on any other terms as the Corporation may specify and whose application has been accepted by the Corporation.
- 2.20 "**Participant Contribution**" means the amount of money contributed by a Participant in the Plan, as described in Section 5.

- 2.21 “**Plan**” means this Employee Share Purchase Plan, as amended from time to time.
- 2.22 “**Purchase Date**” means the last day of each fiscal quarter of AGT (currently the last day of March, June, September and December of each year).
- 2.23 “**Release**” means release of a certificate representing Shares under the Plan as described in Section 11.
- 2.24 “**Retirement**” means the retirement of an Employee as determined by the Corporation in its sole discretion.
- 2.25 “**Securities-Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase or ownership plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance, from treasury, of Shares or other securities of the Corporation to one or more Participants, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.
- 2.26 “**Shareholder**” means a holder of Shares.
- 2.27 “**Shares**” means common shares in the capital of AGT.
- 2.28 “**Subsidiary**” means a subsidiary as defined in the *Business Corporations Act* (Ontario).
- 2.29 “**Termination Date**” has the meaning given to it in Section 11.5.
- 2.30 “**TSX**” means the Toronto Stock Exchange or such other stock exchange or quotation system on which the Shares are listed or quoted from time to time.
- 2.31 “**Underlying Dividend Amount**” means an amount of cash equal to all dividends that would have been paid from the Purchase Date to the Vesting Date of the relevant Matching Share Award, if the relevant Underlying Shares had been validly issued and outstanding as Shares during such period.
- 2.32 “**Underlying Shares**” has the meaning given to it in Section 7.3.
- 2.33 “**Vesting Date**” means the date on which a Matching Share Award vests and is redeemed for a Share, as determined in accordance with Section 7.2.
- 2.34 “**Voting Shares**” means all securities of all classes of shares of AGT that are entitled to vote at meetings of shareholders of AGT, and for greater certainty, include the Shares.
- 2.35 Unless the context requires otherwise, references to the male gender include the female gender, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.
- 2.36 All references to “days” in the Plan are to business days (meaning any day other than a Saturday, Sunday or any day on which the major banks are closed for business in Toronto, Ontario), and if any payment is to be made or other action is to be taken on a day which is not a business day, such payment must be made or such action must be taken on or not later than the next succeeding business day.

- 2.37 The Plan is established under the laws of the Province of Ontario and rights of all parties and the interpretation of each and every provision of the Plan shall be governed and construed in accordance with the laws of the Province of Ontario, and the laws of Canada applicable therein.

### **3 Administration of the Plan**

- 3.1 The Administrator will administer the Plan pursuant to the terms and conditions of the Administration Agreement and the terms and conditions of the Plan as herein set forth. AGT will have the right to replace the Administrator of the Plan at any time.
- 3.2 The Plan is an automatic securities purchase plan and the provisions herein shall continue to operate during any Black-Out Period.

### **4 Eligibility and Participation**

- 4.1 All Employees are eligible to participate in the Plan, subject to the terms of the Plan and to the discretion of the Corporation. To become a Participant, an Employee must complete and sign an application in the form prescribed by the Corporation from time to time and file it with such officer or employee of the Corporation as may be designated by the Corporation from time to time, and authorize the Corporation in writing to deduct the Participant Contribution from the Participant's Base Salary in the form of a payroll deduction in respect of each regular payroll period. Upon acceptance of such application by the Corporation, such Employee shall become a Participant under the Plan.
- 4.2 Participants who are on a leave of absence that has been approved by the Corporation or on a Disability leave may remain a Participant until the first anniversary of the initial date of the leave of absence or from the initial date of qualification under the Corporation's long-term disability program. In the event that payroll deduction is not available to such Participants during such one-year period, the Participant may make Participant Contributions directly to the Administrator. If the Employee continues on a leave of absence or Disability after the first anniversary date, the Employee's participation in the Plan shall terminate as of such date. The Employee may re-apply to participate in the Plan if Employee returns to regular full-time or part-time employment with the Corporation.

### **5 Participant Contributions**

- 5.1 A Participant may elect to contribute as the Participant Contribution under the Plan an amount for each regular payroll period, equal to not less than 1% of a Participant's pro rata Base Salary for such period and not more than the Maximum Specified Amount. Such election shall initially be made by the Participant on the application form filed with the Corporation under Section 4.1.
- 5.2 Subject to Section 5.1, a Participant may elect to change the amount of the Participant Contribution by completing, signing and filing with the Corporation an authorization in the form prescribed by the Corporation from time to time specifying the new amount which shall thereafter constitute the Participant Contribution. Such a change may be made only once in each Fiscal Year.
- 5.3 A Participant may elect to suspend the Participant Contribution at any time by completing, signing and filing an authorization in the form prescribed by the Corporation from time to time. As of the effective

date of such suspension, and until the Participant elects to resume such Participant Contribution in accordance with Section 5.4, the Participant shall be deemed to be a Non-Active Participant.

- 5.4 A Participant who has suspended their Participant Contribution in accordance with Section 5.3 may elect, by completing, signing and filing an authorization in the form prescribed by the Corporation from time to time, to resume making a Participant Contribution at any time which is at least six months subsequent to the effective date of the suspension pursuant to Section 5.3 or such shorter or longer period as may be determined in the sole discretion of the Corporation.
- 5.5 Subject to the foregoing, the effective date of any initial election, change, suspension or resumption of Participant Contributions under this Section 5 shall be governed by regular payroll input deadlines of the Corporation.
- 5.6 Notwithstanding Sections 5.2, 5.3 and 5.4, a Participant may not change, suspend or resume their Participation Contribution during any Black-Out Period or while such Participant is in possession of any material undisclosed information with respect to the Corporation.
- 5.7 All Participant Contributions shall be (i) deducted by the Corporation out of each regular payroll payment, or paid directly by the Participant in accordance with Section 4.2, if applicable, and (ii) applied in accordance with Section 6.1.
- 5.8 The Administrator shall allocate to each Participant's Account the cash value of any dividends paid on Shares in a Participant's Account as soon as practicable following the payment of any such dividend.
- 5.9 The Corporation shall pay the administrative costs related to the Plan, including, but not limited to, any fees payable to the Administrator but shall not pay brokerage or related fees or expenses related to the sale of Shares by the Participant. No interest shall be paid or allocated to Participant Contributions received prior to the applicable Purchase Date or in respect of Underlying Dividend Amounts or dividends held in a Participant's Account.

## **6 Purchase of Shares with Participant Contributions**

### **6.1 On each Purchase Date:**

- (a) all Participant Contributions received since the last Purchase Date; and
- (b) any dividends paid on Shares (but for greater certainty, not on any Matching Share Awards) in the Account of a Participant that is a Canadian Resident since the last Purchase Date,

held in a Participant's Account shall be applied by the Administrator to purchase Shares for the Participant. At the Corporation's option, such Shares may be issued to a Participant from treasury at the Market Price or acquired on behalf of a Participant by the Administrator through open market purchases, in accordance with applicable laws and as set out in Section 8. No fractional Shares shall be purchased or acquired.

## **7 Awards of Matching Share Awards**

- 7.1 For every two (2) Shares purchased on a Purchase Date on behalf of a Participant, the Corporation shall award to such Participant one (1) Matching Share Award.
- 7.2 Matching Share Awards shall vest at such time as the Board, in its sole discretion, may determine on the Purchase Date, provided, however, that if the Board does not so determine and specify, then the Vesting Date of the Matching Share Awards awarded to a Participant on a Purchase Date shall be as to 50% of such Matching Share Awards on the second anniversary date of such Purchase Date and as to the remainder of such Matching Share Awards, the third anniversary date of such Purchase Date.
- 7.3 On each Vesting Date:
- (a) the relevant number of Shares to which the Participant is entitled (the “**Underlying Shares**”) shall be purchased for the Participant’s Account in accordance with Section 8; and
  - (b) an amount of cash equal to the Underlying Dividend Amount shall be paid to the Participant’s Account by or on behalf of the Corporation,

in each case without any further action being required on behalf of the Participant.

## **8 Issue or Purchase of Shares and Underlying Shares**

- 8.1 Subject to Section 8.2, prior to each Purchase Date and Vesting Date, the Corporation shall determine if the Shares or Underlying Shares, as applicable, to which a Participant is entitled shall be issued from treasury and/or acquired by open market purchases.
- 8.2 Notwithstanding Section 3.2 or Section 8.1, no Shares or Underlying Shares shall be issued by the Corporation during any Black-Out Period or when there exists material undisclosed information regarding the Corporation, and any Shares or Underlying Shares, as applicable, required to be issued under the Plan at any such time shall be purchased by the Administrator through open market purchases.
- 8.3 If prior to a Purchase Date and/or Vesting Date the Corporation determines that all or a portion of the Shares or Underlying Shares, as applicable, to which a Participant is entitled shall be issued from treasury, then:
- (a) the Corporation shall in writing advise the Corporation’s registrar and transfer agent and the Administrator of such determination and the price therefor, as applicable, showing the number of Shares or Underlying Shares, as applicable, that shall be issued to each Participant;
  - (b) in the case of the issuance of Shares in respect of Participant Contributions, the Administrator shall forward from each Participant’s Account to the Corporation on or before the Purchase Date, a cash amount equal to the applicable purchase price, and the Corporation shall issue to each Participant from treasury the applicable number of Shares as determined by dividing the aggregate cash amount so transferred from the Participant’s Account by the Market Price;
  - (c) in the case of the issuance of Underlying Shares, the Corporation shall issue to a Participant such number of Underlying Shares to which such Participant is entitled for no additional consideration; and

- (d) such Shares or Underlying Shares, as applicable, shall be issued as fully paid and non-assessable Shares in the capital of the Corporation.

- 8.4 If prior to a Vesting Date the Corporation determines that all or a portion of the Underlying Shares to which a Participant is entitled shall be acquired through open market purchases, then the Corporation shall forward to the Administrator, on or before such Vesting Date, the applicable purchase price for the number of Underlying Shares, and the Administrator shall, on the Vesting Date, purchase such Underlying Shares through open market purchases for such Participant. For greater certainty, the purchase of Shares through open market purchases by the Administrator for a Participant using Participant Contributions on a Purchase Date shall be effected in the manner set out in Section 6.1.
- 8.5 The Administrator shall allocate all Shares issued or purchased on behalf of a Participant to such Participant's Account, immediately following the Purchase Date or Vesting Date, as applicable. All Shares so allocated to a Participant's Account shall be registered in the name of the Administrator, or its nominee. The Participant for whose account such Shares are held by the Administrator (but for greater certainty, not any unvested Matching Shares Awards) shall be entitled to all rights of ownership incidental thereto, including the right to receive dividends and other distributions payable in respect of the Shares and to receive notice of, attend and vote at meetings of Shareholders.
- 8.6 Dividends on Shares held in a Participant's Account shall, for Participants who are Canadian Residents, be automatically reinvested on each Purchase Date to purchase additional Shares in the Plan. A Participant who is not a Canadian Resident will receive a cheque for dividends on Shares in the Participant's Account, net of any withholding taxes.
- 8.7 No grant of Matching Share Awards pursuant to the Plan shall be deemed to give any Participant any rights as a Shareholder in respect of the related Underlying Shares until such time as the Underlying Shares vest and have been issued and/or purchased in accordance with the terms of the Plan.
- 8.8 The Board has resolved on the date it approved the Plan to amend the Option Plans to provide that, subject to Section 9 of the Amended Stock Option Plan 2010 of the Corporation, the number of Shares reserved for issuance from time to time pursuant to stock options granted under the Option Plans shall not exceed six percent (6%) of the total number of Voting Shares issued and outstanding from time to time. Subject to Section 12, the number of Shares reserved for issuance to Participants from time to time under the Plan shall not exceed four percent (4%) of the total number of Voting Shares issued and outstanding from time to time. Upon the issuance of any Shares from treasury pursuant to Participant Contributions or through the redemption of Matching Share Awards, such number of Shares so issued shall be automatically reserved again for future issuance. As a result, the Plan is considered an "evergreen" plan since the Shares permitted to be issued pursuant to the Plan will increase as the number of issued and outstanding Shares of the Corporation increases.

## **9 Participant Accounts**

- 9.1 The Administrator shall maintain an Account for each Participant in such a way that the interests of each Participant in the Plan in respect of Participant Contributions, dividends and Matching Share Awards may be ascertained. Such individual Accounts shall be posted periodically. The Administrator shall ensure that the Account reflects Shares purchased by Participant Contributions, Underlying Shares, and Matching Share Awards which have been allocated to such Account, as well as any dividends which have been paid on the Shares and/or any Underlying Dividend Amounts which have been allocated or paid to the Participant.

## **10 Release of Certificates**

- 10.1 A Participant may, subject to this Section 11, elect to receive certificates representing Shares held in the Participant's Account (a "**Release**"). Such Release shall require not less than seven days' prior written notice to the Administrator. Except as set out in Section 11 or unless otherwise determined by the Corporation, a Participant may not make more than one such Release from the Account in any six month period.
- 10.2 Subject to Section 10, a Participant who has notified the Administrator that the Participant wishes to withdraw the whole or a part of the Shares in the Participant's Account shall be entitled to receive such Shares, computed to the date such notice is received. The transfer and delivery of any Shares so withdrawn shall be effected according to the procedures established by the transfer agent of the Corporation for the transfer and delivery of the Shares. If such Participant is withdrawing all of the Shares in the Participant's Account and is entitled to a fraction of a Share upon such Release, the value of such fraction shall be paid to the Participant by cheque.
- 10.3 The Administrator shall arrange to provide statements to Participants describing the particulars of each Release.
- 10.4 For greater certainty, a Participant shall in no circumstances be entitled to a Release in respect of any Underlying Shares in the Participant's Account unless and until the relevant Matching Share Awards vest in accordance with Section 7 and are redeemed for the relevant number of Underlying Shares, and such Underlying Shares are issued to, or purchased for, the Participant in accordance with Section 8.

## **11 Termination of Employment**

- 11.1 Where a Participant's employment with the Corporation terminates for any reason other than as a result death, Disability or Retirement, on the Participant's Termination Date, all Matching Share Awards awarded to the Participant that have not vested, and all Underlying Dividend Amounts payable on such awards, shall be forfeited and shall be of no further value whatsoever.
- 11.2 Where a Participant's employment with the Corporation terminates as a result of death, the Vesting Date with respect to all Matching Share Awards awarded to the Participant shall be the date that is 15 days following the date of death of the Participant.
- 11.3 Where a Participant's employment with the Corporation terminates as a result of Disability or Retirement, the Vesting Date with respect to all Matching Share Awards awarded to the Participant shall be the date of Disability or Retirement, as applicable.
- 11.4 Within 15 days following a Participant's Termination Date (other than a Termination Date described in Section 11.1), or date of death, Disability, or Retirement, the Participant (or his estate) shall, on a form prescribed by AGT, direct the Administrator to effect a Release of all the Shares and the cash balance, if any, held in the Participant's account pursuant to the provisions of Section 10.



- 11.5 For the purposes of the Plan, a Participant's "**Termination Date**" will be conclusively deemed to have occurred on the date such Participant ceased to actually and actively be employed by the Corporation (and for greater certainty, will not include any notice period required by any applicable statute or by common law, whether agreed to by the parties or imposed by the Corporation or a court or tribunal). All Participant Contributions shall be automatically suspended as of the relevant Termination Date. For the purposes of this Section 11, the Board will determine the date of Disability or Retirement, as the case may be, such determination to be conclusive and binding on the Participant.

## **12 Adjustment in Certain Circumstances**

- 12.1 Subject to Sections 13 and 15, but notwithstanding any other provision of the Plan, in the event:

- (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, plan of arrangement, merger or otherwise;
- (b) of any distribution of Shares or securities exchangeable for or convertible into Shares to Shareholders (other than such distribution issued at the option of Shareholders in lieu of substantially equivalent cash distributions);
- (c) that any rights are granted to Shareholders to purchase Shares at a discount greater than 15% below the prevailing market price (as determined by the Board); or
- (d) that as a result of any recapitalization, plan of arrangement, merger, consolidation or otherwise the Shares are converted into or exchangeable for any other securities;

then in any such case, the Board may, subject to obtaining the prior approval of the TSX, make such adjustment in the Plan and in the Underlying Shares in respect of Matching Share Awards under the Plan as the Board may in its sole discretion deem appropriate to prevent dilution or enlargement of the rights of Participants under the Plan.

## **13 Change of Control**

- 13.1 Subject to Section 16.3, but notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant holding Matching Share Awards:

- (a) accelerate, conditionally or otherwise, on such terms and conditions as it sees fit, the Vesting Date of any outstanding Matching Share Awards; and
- (b) otherwise amend or modify the terms and conditions of any outstanding Matching Share Awards (including Underlying Dividend Amounts applicable to such awards), including for greater certainty so as to assist any Participant holding Matching Share Awards to tender the Underlying Shares to, or participate in, the actual or potential Change of Control or to obtain the advantage of holding the Underlying Shares during such Change of Control.

The determination of the Board in respect of any such Change of Control shall for the purposes of the Plan be final, conclusive and binding.

## **14 Restrictions on Number of Shares Issued to Insiders Under the Plan**

14.1 Notwithstanding anything contained in the Plan, at no time will:

- (a) the aggregate number of Shares that may be issuable to Insiders under all Securities-Based Compensation Arrangements (including the Plan), exceed 10% of the number of Shares issued and outstanding in the capital of AGT from time to time; and
- (b) the aggregate number of Shares issued within a one-year period to Insiders under the Plan, together with the number of Shares issued within such period to such persons under any Securities-Based Compensation Arrangement of AGT, exceed 10% of the number of the Shares of AGT that are issued and outstanding from time to time.

## **15 Amendment or Termination of the Plan**

15.1 The following types of amendments to the Plan shall require the approval of the Board, requisite Shareholder approval and the approval of the TSX:

- (a) any increase in the fixed maximum percentage of securities which may be reserved for issuance under the Plan;
- (b) any amendment to the insider participation limit set out in Section 14 of the Plan; and
- (c) any amendment this Section 15 to eliminate a matter requiring approval of Shareholders.

15.2 Subject to Sections 15.1 and 16.3, but notwithstanding any other provision of the Plan, the Board may, in its sole discretion, without obtaining any approval of Shareholders, make any other amendments to the Plan, or any Matching Share Award granted under the Plan, that are not of the type contemplated in Section 15.1 of the Plan, including, without limitation:

- (a) amendments of a “housekeeping” nature;
- (b) a reduction of the number of Shares reserved from time to time for issuance under the Plan;
- (c) the acceleration of the vesting of any previously granted unvested Matching Share Award;
- (d) the cancellation of a Matching Shares Award;
- (e) any amendment in respect of the persons eligible to participate in the Plan;
- (f) such amendments as are necessary for the purpose of complying with any changes in any applicable law, rule, regulation or policy of any securities regulatory authority, stock exchange or other governmental entity having jurisdiction over the Corporation; and

- (g) amendments to correct or rectify any ambiguity, defective provision, error or omission in the Plan.

- 15.3 Subject to Sections 12, 13, 15.1, 15.2, 15.4 and 16.3, no amendment to the Plan may alter or impair any Matching Share Award or any rights pursuant thereto previously granted to any Participant in a manner that is materially adverse to such Participant without the consent of such Participant.
- 15.4 Notwithstanding any other provision of the Plan, AGT may, at any time by a resolution of the Board, terminate the Plan. Upon termination of the Plan, all cash amounts and all Shares held in the Participant's Account shall be released in full to the Participant by providing to the Participant certificates respecting the Shares, registered in the name of such Participant or such name as the Participant may direct and a cheque equal to any outstanding cash amount, calculated as of the effective date of termination. In the event the Participant shall be entitled to a fraction of a Share upon such termination, a cash payment equal to the value of such fraction shall be paid to such Participant. The Corporation or, if appointed, the Administrator shall be entitled to wind-up the Plan in accordance with this Section 15 over such reasonable period of time as will allow for the orderly termination of the Plan.

## **16 General Provisions**

- 16.1 The Corporation shall cause the Administrator to provide to each Participant a statement of the Participant's account balances in the Participant's Account quarterly during each Fiscal Year or such other periodic basis as the Corporation may determine, in its sole discretion, from time to time.
- 16.2 The interest of any Participant in the Plan shall not be assignable either by voluntary assignment or by operation of law, except upon death.
- 16.3 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any Employee's employment with the Corporation. No Employee, Participant or other person shall have any claim or right to participate under the Plan. Participation in the Plan shall not affect the right of the Corporation to terminate the employment of a Participant. Neither any period of notice nor any payment in lieu thereof, or combination thereof, upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.
- 16.4 Neither the Corporation nor the Administrator shall be liable to any Participant for any loss resulting out of any issuance, purchase or sale of any Shares or out of the allocation of dividends applicable to any Shares under the Plan, including any loss relating to the pricing, manner or timing of such issuances, purchases, sales or allocations, or any delay in implementing any instructions to allocate, suspend or reinstate any Participant Contributions or in the transfer or delivery of any Shares to a Participant or otherwise.
- 16.5 Notwithstanding any other provision of the Plan:
  - (a) the Plan, and the Matching Share Awards granted under the Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX and the Corporation shall not be obliged to issue or purchase any Shares upon purported redemption of Matching Share Awards if such issuance would violate any applicable law or the rules of the TSX;

- (b) the Corporation shall not be required to issue, register or qualify for resale any Shares issuable upon purported redemption of Matching Share Awards pursuant to a prospectus or similar document; and
- (c) the Corporation shall be permitted at any time and from time to time to postpone the issue or purchase of any Shares pursuant to the Plan and to make any amendment to the terms and conditions of the Plan or any Matching Share Awards granted under the Plan as in the opinion of the Board is reasonably necessary (i) to make the Plan or any Matching Share Awards granted hereunder comply with applicable laws and the rules of the TSX; or (ii) in order to permit the Corporation to effect or maintain qualification of the Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to ensure that the Shares and the Plan are exempt from any prospectus or equivalent requirements of any applicable securities laws.

- 16.6 As a condition of participating in the Plan, each Participant agrees to comply with all laws, rules and regulations which may apply in connection with the Plan, including the rules and requirements of the TSX, and to fully cooperate with the Corporation and/or its employer in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance with such laws, rules and requirements, including all tax withholding and remittance obligations.
- 16.7 The Corporation may adopt and apply rules that in its opinion will ensure that the Corporation, or the applicable employer, will be able to comply with applicable provisions of any federal, provincial, state or local law relating to withholding of tax. The Corporation shall have the right, in its sole discretion, to satisfy any withholding tax liability in respect of a Participant by withholding from any amount payable to a Participant, either under the Plan or otherwise, such amounts as are required by law to be withheld or deducted as a consequence of a Participant's participation in the Plan, including by, in its sole discretion, satisfying any such withholding obligations by: (a) selling or causing the sale of any Shares held on behalf of a Participant under the Plan, (b) retaining the amount necessary to satisfy the withholding obligations from any amount which would otherwise be delivered, provided or paid to the Participant, whether under the Plan or otherwise; (c) requiring the Participant to, remit in advance the amount of, or reimburse the Corporation or the employer for, such withholding obligations; or (d) making such other arrangements as the Corporation may reasonably require.

