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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 19, 2014**

**-AND-**

**MANAGEMENT INFORMATION CIRCULAR**

May 20, 2014

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 19, 2014 AT 10:00 A.M. (TORONTO TIME) IN THE MAIN BOARDROOM 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 19, 2014 at 10:00 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, 2013;
- (b) to re-elect Murad Al-Katib, Hüseyin Arslan, John Gardner, Howard N. Rosen and Drew Franklin as directors of AGT;
- (c) to consider, and, if thought advisable, to pass, with or without variation, a special resolution (the “**Name Change Resolution**”) approving an amendment to the articles of AGT to change the name of AGT from “Alliance Grain Traders Inc.” to “AGT Food and Ingredients Inc.”, or such other name as the directors of AGT may approve;
- (d) to re-appoint KPMG LLP as the auditor of AGT; and
- (e) 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 registered and beneficial owners of Common Shares has been set at May 20, 2014. 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 May 20, 2014.

**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 TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593, Attention: Proxy Department, **so that it arrives no later than 10:00 a.m. (Toronto time) on June 17, 2014, or 48 hours preceding any reconvened meeting following any adjournment of the Meeting.** If you are able to attend the Meeting, sending your proxy will not prevent you from voting in person. **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.**

**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 10:00 a.m. (Toronto time) on Thursday, June 19, 2014 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 20, 2014.

**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” or the “Board”). 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 TMX Equity Transfer Services, AGT’s registrar and transfer agent, at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593, Attention: Proxy Department, not later than 10:00 a.m. (Toronto time) on June 17, 2014, 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 10:00 a.m. (Toronto time) on June 17, 2014, 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 20, 2014 (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, RRIFs, 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 TMX Equity Transfer Services 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, 2013, 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.

## 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 31, 2014 ("AIF"). As at May 20, 2014, there were 20,199,021 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.

As at May 20, 2014, the Carme Trust (the "**Trust**") holds 3,312,601 Common Shares, representing approximately 16.4% 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, 2013, the auditor's report on such financial statements, and management's discussion & analysis ("**MD&A**") for the year ended December 31, 2013 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 20, 2014)	PRINCIPAL OCCUPATION
Murad Al-Katib Regina, Saskatchewan, Canada	August 1, 2007	3,737,495 <sup>(1)(2)</sup>	President and CEO, AGT; President and CEO, Alliance Pulse Processors Inc. (“ <b>Alliance</b> ”)
Hüseyin Arslan Mersin, Turkey	January 31, 2008	100,000	Executive Chairman, AGT; President, the Arbel Group (as defined below). Director of certain companies owned by the Arslan family
Howard N. Rosen <sup>(3)(4)</sup> Ontario, Canada	November 30, 2004	73,000 <sup>(5)</sup>	Senior Managing Director, FTI Consulting
John Gardner <sup>(3)(4)</sup> Ontario, Canada	June 28, 2011	1,000	Consultant
Drew Franklin <sup>(3)(4)</sup> Wisconsin, USA	June 18, 2012	Nil	Vice President, S.C. Johnson

(1) 254,524 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.

(2) 3,312,601 Common Shares are held by the Trust, of which Mr. Al-Katib is the sole trustee.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) 55,000 Common Shares are held by Mr. Rosen directly and 18,000 are held by Randy Rosen, Mr. Rosen’s wife.

Each of the directors listed above has been engaged for more than five years in his present principal occupation, except as same relates to AGT (although, with the exception of Mr. Arslan’s appointment as Executive Chairman, each such individual held a similar position with the Fund as it now holds with AGT).

**Murad Al-Katib.** Mr. Al-Katib founded Saskcan Pulse Trading Inc. (“**Saskcan**”) in 2001 with Mr. Arslan, and has led its expansion as a processor and seller of pulses and specialty crops as AGT’s President and 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. Mr. Al-Katib also serves as the Chair of the Advisory Board for Small and Medium Enterprise for the Canadian Minister of International Trade and as a member of the panel for Government of Canada’s renewal of Canada’s Global Commerce Strategy and as the current Chair of the Regina Regional Opportunities Commission. Mr. Al-Katib 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. Mr. Arslan 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 is also a director of Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş. (“**Arbel**”), Durum Gıda Sanayi ve Ticaret A.Ş. (“**Durum**”), Turkpulse Dış Ticaret A.Ş. (“**Turkpulse**”, and together with Arbel and Durum, the “**Arbel Group**”) and of certain companies owned by his family. 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. Mr. Arslan 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 Low Rosen Taylor Soriano 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 Professional 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 and Executive Chairman of Genesis Worldwide Inc., a developer of structural building technology for residential and commercial applications, listed on the Toronto Stock Exchange (“**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,

Mr. Gardner 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 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. Mr. Franklin 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 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 at its world headquarters in Racine, Wisconsin. Mr. Franklin was previously responsible for the Insect Control business of S.C. Johnson.

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. APPROVAL OF NAME CHANGE

#### *Background*

AGT is proposing changing its name from "Alliance Grain Traders Inc." to "AGT Food and Ingredients Inc." in order to more accurately reflect the business of AGT as a processor and supplier of value-added pulses, staple foods and ingredients derived from pulses and other grains for export and domestic human food and animal food markets as well as a supplier of retail packaged and canned foods to retail and food service sectors.

**The Board has determined that the proposed change of corporate name is in the best interests of AGT and its Shareholders and unanimously recommends that Shareholders vote for the approval of the Name Change Resolution.**

#### *Approval*

At the Meeting, Shareholders will be asked to consider, and, if thought advisable, approve a special resolution authorizing AGT to file articles of amendment under the *Business Corporations Act* (Ontario) (the "OBCA") to change the name of AGT from "Alliance Grain Traders Inc." to "AGT Food and Ingredients Inc." or such other name as the Board deems appropriate (the "**Name Change Resolution**"). A copy of the Name Change Resolution is set out in Appendix "A" of this Circular.

The Name Change Resolution must be approved by not less than two-thirds of the votes cast at the Meeting.

Although Shareholder approval of the Name Change Resolution is being sought at the Meeting, such a name change would become effective at a date in the future to be determined by the Board when it considers it to be in the best interests of AGT to implement such a change of name. The proposed change of name is also subject to certain regulatory approvals, including the approval of the TSX and the approval of the Director under the OBCA. The Board may, in its sole discretion, determine not to implement the Name Change Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment, without further notice to or action on the part of the Shareholders. Subject to the exercise of such direction by the Board, AGT will file articles of amendment in the prescribed form with the Director under the OBCA. The change of name will become effective on the date shown on the certificate issued by the Director under the OBCA.

**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 Name Change Resolution.**

#### **4. 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.**

### **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 the stock option plan 2010 (the "**Option Plan**") governing the issuance of options (the "**Options**") to acquire Common Shares, which was ratified by the Shareholders on June 17, 2010 and re-approved by Shareholders on June 27, 2013 as required by the policies of the TSX. The principal purposes of the Option 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 Option 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 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 20, 2014, the maximum number of Common Shares which may be reserved for issuance on the exercise of Options is 1,211,941 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. As of the date hereof, the number of options outstanding is 425,000, which represent approximately 2.1% of the current issued and outstanding Common Shares. As a result there are currently 786,441 Options available for future grant which represents 3.89% of the current issued and outstanding. As at May 20, 2014, 530,000 Options have been exercised under the Option Plan, representing approximately 2.6% 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 and 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 six percent (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 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 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 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.

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 employee share purchase plan (“**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 of AGT within a one-year period cannot exceed 10% of the issued and outstanding Common Shares. As at May 20, 2014, the maximum number of Common Shares which may be reserved for issuance under the ESPP is 807,960, 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.

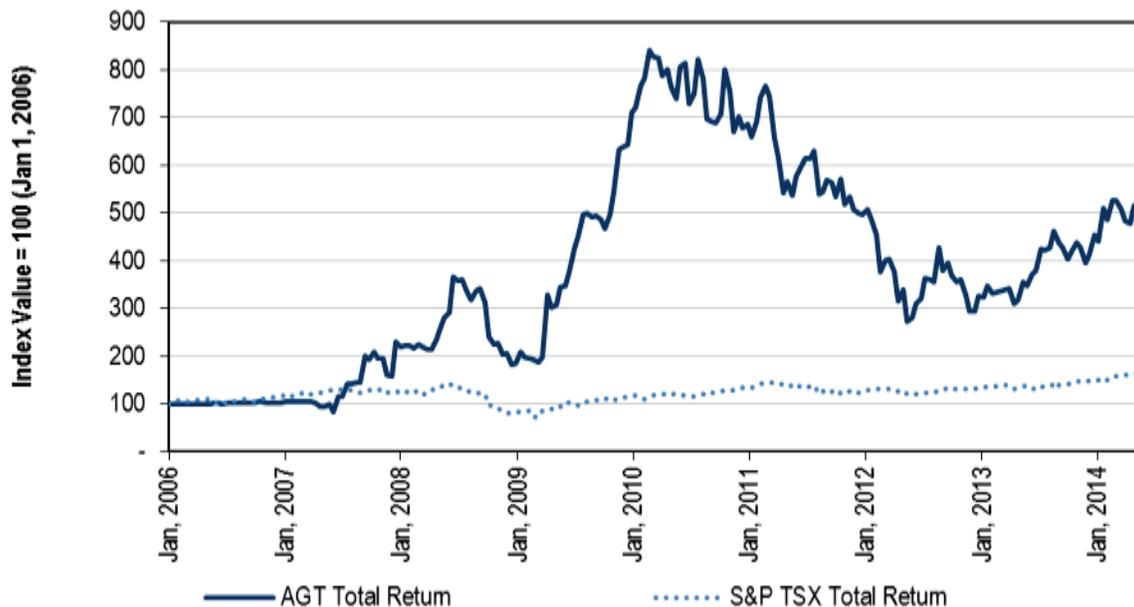
Mercers compared AGT’s director compensation against the compensation provided to directors in the comparator group and provided its findings and recommendations in a director compensation review dated June 30, 2010. Mercers’ report found that AGT’s director compensation program was positioned at the 25th 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, 2013 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 Option Plan is subject to certain limits. See the summary

of the Option Plan set out above under “Executive Compensation – Compensation Discussion and Analysis - 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 Option Plan and making recommendations for amendments, as applicable. The Board may make certain amendments to the Option 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 Option 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, 2011, 2012 and 2013.

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	2013	480,000	N/A	300,000	275,000	38,400	1,093,400
	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
Lori Ireland CFO	2013	235,000	N/A	170,000	130,000	18,800	553,800
	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
Gaetan Bourassa COO	2013	360,000	N/A	275,000	235,000	28,800	898,800
	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
Hüseyin Arslan <sup>(4)</sup> Executive Chairman	2013	360,000	N/A	300,000	275,000	18,000	953,000
	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
Mahmut Arslan Senior Vice President	2013	200,000	N/A	N/A	100,000	18,000	318,000
	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

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

(2) These awards were approved by the Board, on the recommendation of the Compensation Committee, and follow certain of the recommendations made in the Mercers report discussed under “Executive Compensation – Compensation Discussion and Analysis - Compensation Comparator Report”.

- (3) The CEO is also a Director. The CEO is not compensated for his services as a director.  
 (4) 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.

<b>PLAN CATEGORY</b>	<b>NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS</b>	<b>WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS</b>	<b>NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS</b>
Equity compensation plans approved by security holders <sup>(1)</sup>	758,500	\$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 incentive unit option plan, which was approved by the unitholders of the Fund prior to the Conversion.

## 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 <sup>(2)</sup>	9.00	April 21, 2014	748,000
	100,000	12.71	April 16, 2017	377,000
Lori Ireland CFO	33,500 <sup>(2)</sup>	9.00	April 21, 2014	250,580
	50,000	12.71	April 16, 2017	188,500
Gaetan Bourassa COO	50,000 <sup>(2)</sup>	9.00	April 21, 2014	374,000
	75,000	12.71	April 16, 2017	282,750
Hüseyin Arslan Executive Chairman & Director	100,000 <sup>(2)</sup>	9.00	April 21, 2014	748,000
	100,000	12.71	April 16, 2017	377,000
Mahmut Arslan Senior Vice President	Nil	N/A	N/A	N/A
Howard N. Rosen Director	50,000 <sup>(2)</sup>	9.00	April 21, 2014	374,000
	50,000	12.71	April 16, 2017	188,500
John Gardner Director	25,000	12.71	April 16, 2017	94,250
Drew Franklin Director	25,000	12.71	June 18, 2017	94,250

(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.

(2) These Options were exercised on April 8, 2014.

*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	Nil	575,000
Lori Ireland CFO	Nil	300,000
Gaetan Bourassa COO	Nil	510,000
Hüseyin Arslan Executive Chairman & Director	Nil	575,000
Mahmut Arslan Senior Vice President	Nil	100,000
Howard N. Rosen Director	Nil	N/A
John Gardner Director	Nil	N/A
Drew Franklin Director	Nil	N/A

*Narrative Discussion*

No Options were granted during the most recently completed financial year.

**Director Compensation**

The total compensation paid or payable to the Directors for the year ended December 31, 2013 was \$198,250. The following table shows the compensation paid or payable to each Director for the year ended December 31, 2013, 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*

<b>NAME</b>	<b>FEES EARNED (\$)</b>	<b>ALL OTHER COMPENSATION (\$)</b>	<b>TOTAL (\$)</b>
Howard N. Rosen	78,250	Nil	78,250
John Gardner	65,750	Nil	65,750
Drew Franklin	54,250	Nil	54,250

*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, 2013 in the event of a termination following a Change of Control as described above would have been: Murad Al-Katib, \$2,796,000; Lori Ireland, \$845,700; Gaetan Bourassa, \$1,815,100; Hüseyin Arslan, \$2,226,250; and Mahmut Arslan, \$477,000.

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**

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, 2013 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* 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 2013 financial year, the Board held 7 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 2013, 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 2014-2015 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:

<b>YEAR</b>	<b>EXECUTIVE COMPENSATION RELATED FEES</b>	<b>ALL OTHER FEES</b>
2010	\$42,753	NIL
2011	\$911	NIL

No fees were paid to Mercers in 2012 and 2013.

#### *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, 2013, 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 TMX Equity Transfer Services 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, 2013, 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, TMX Equity Transfer Services, at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Fax: (416) 595-9593.

### **APPROVAL**

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

DATED the 20<sup>th</sup> day of May, 2014.

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'Murad Al-Katib', written over a horizontal line.

Murad Al-Katib  
President and Chief Executive Officer

**APPENDIX “A”  
NAME CHANGE RESOLUTION**

**“BE IT RESOLVED** as a special resolution of the Shareholders of AGT that:

1. AGT be and is hereby authorized, subject to any necessary regulatory approvals, to amend AGT’s articles to change the name of AGT from “Alliance Grain Traders Inc.” to “AGT Food and Ingredients Inc.”, or such other name that the Board in their sole discretion determine, as more particularly described in AGT’s management information circular dated May 20, 2014 (the “**Circular**”) under the heading “Approval of Name Change” beginning on page 9 of the Circular;
2. notwithstanding that this resolution has been duly passed by the Shareholders, the Board of AGT be, and they hereby are, authorized and empowered to revoke this resolution at any time prior to the amendment of AGT’s articles and to determine not to proceed with changing the name of AGT; and
3. any director or officer of AGT be, and he or she is hereby authorized and directed, on behalf of AGT, to executed and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution.”



