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CHARTER OF THE AUDIT COMMITTEE OF AGT FOOD AND INGREDIENTS INC.

The Role of the Audit Committee

The Audit Committee (the “**Audit Committee**”) has been established by the Board of Directors (the “**Board**”) of AGT Food and Ingredients Inc. (formerly Alliance Grain Traders Inc.) (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

- (a) the Corporation’s external audit function; including the qualifications, independence, appointment and oversight of the work of the external auditors;
- (b) the Corporation’s accounting and financial reporting requirements;
- (c) the Corporation’s reporting of financial information to the public;
- (d) the Corporation’s compliance with law and regulatory requirements;
- (e) the Corporation’s risks and risk management policies;
- (f) the Corporation’s system of internal controls and management information systems; and
- (g) such other functions as are delegated to it by the Board.

Responsibilities

The Corporation’s management is responsible for preparing the Corporation’s financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the management of the Corporation and all corporations or subordinate entities owned or controlled by the Corporation (“**Management**”) and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

1. Financial Reporting Process and Financial Statements

The Audit Committee shall:

- (a) in consultation with the external auditors and the internal auditors, review the integrity of the Corporation’s financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;





- (b) review all material transactions and material contracts entered into between (i) the Corporation or any subsidiary or affiliate of the Corporation, and (ii) any subsidiary, affiliate, director, director, officer, insider or related party of the Corporation or a subsidiary or affiliate thereof, other than transactions in the ordinary course of business;
- (c) review and discuss with Management and the external auditors: (i) the preparation of Corporation's annual audited consolidated financial statements and its interim unaudited consolidated financial statements (and if such statements cannot be presented on a consolidated basis, the preparation of the annual audited and interim unaudited financial statements of the subsidiaries or and affiliates of the Corporation); (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Corporation or any subsidiary or affiliate of the Corporation as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an audit findings report by the external auditors describing: (A) all critical accounting policies and practices used by the Corporation; or any subsidiary or affiliate of the Corporation (B) all material alternative accounting treatments of financial information within international financial reporting standards that have been discussed with Management, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and Management;
- (d) following completion of the annual audit, review with each of: (i) Management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;
- (e) resolve disagreements between Management and the external auditors regarding financial reporting;
- (f) review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and
- (g) review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Corporation extracted or derived from the Corporation's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

2. External auditors

The Audit Committee shall:

- (a) require the external auditors to report directly to the Audit Committee;



- (b) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Corporation's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders of the Corporation;
- (c) approve all audit engagements and must pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval;
- (d) review and approve the Corporation's policies for the hiring of partners and employees and former partners and employees of the external auditors;
- (e) consider, assess and report to the Board with regard to the independence and performance of the external auditors; and
- (f) request and review the audit plan of the external auditors as well as a report by the external auditors to be submitted at least annually regarding: (i) the external auditing firm's internal quality-control procedures; (ii) any material issues raised by the external auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

3. Accounting Systems and Internal Controls

The Audit Committee shall:

- (a) oversee Management's design and implementation of and reporting on internal controls. The Audit Committee shall also receive and review reports from Management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Corporation's accounting system and internal controls; and



- (b) review annually the activities, organization and qualifications of the internal auditors and discuss with the external auditors the responsibilities, budget and staffing of the internal audit function.

4. Financial Risk Management

The Audit Committee shall:

- (a) inquire of Management and the internal and external auditors about significant business, political, financial and control risks or exposure to such financial risk;
- (b) oversee and monitor Management's documentation of the material financial risks that the Corporation faces and update as events change and risks shift;
- (c) assess the steps Management has taken to control identified financial risks to the Corporation, such as the use of hedging and insurance;
- (d) review the following with Management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - (i) Management's tolerance for financial risks;
 - (ii) Management's assessment of significant financial risks facing the Corporation; and
 - (iii) the Corporation's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks.

5. Business Risk Management

The Audit Committee shall:

- (a) inquire of Management and the internal and external auditors about significant business, political, financial and control risks or exposure to such financial risk;
- (b) review the risk identification and management process developed by Management to confirm it is consistent with the Corporation's strategy and business plan;
- (c) review Management's assessment of risk at least annually and provide an update to the Board in this regard;
- (d) inquire of Management and the internal and external auditors about significant business, political, financial and control risks or exposure to such risk;



- (e) oversee and monitor Management's documentation of the material risks that the Corporation faces and update as events change and risks shift; and
- (f) oversee and monitor Management's review, at least annually, and more frequently if necessary, of the Corporation's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).

6. Legal and Regulatory Requirements

The Audit Committee shall:

- (a) receive and review timely analysis by Management of significant issues relating to public disclosure and reporting;
- (b) review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis and Annual Information Form;
- (c) prepare the report of the Audit Committee required to be included in the Corporation's periodic filings;
- (d) review with the Corporation's legal counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Corporation's financial statements; and
- (e) assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Corporation's procedures to ensure compliance with legal and regulatory responsibilities.

7. Additional Responsibilities

The Audit Committee shall:

- (a) discuss policies with the external auditor, internal auditor and Management with respect to risk assessment and risk management;
- (b) establish procedures and policies for the following:
 - (i) the receipt, retention, treatment and resolution of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and



- (ii) the confidential, anonymous submission by directors or employees of the Corporation of concerns regarding questionable accounting or auditing matters or any potential violations of legal or regulatory provisions
- (c) prepare and review with the Board an annual performance evaluation of the Audit Committee;
- (d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, and the performance and independence of the external auditors; and
- (e) review and reassess the adequacy of the Audit Committee's Charter on an annual basis.

Resources and Authority

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Corporation, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or Management

Audit Committee – Proposed Corporation Meeting Schedule

The Audit Committee meetings should be scheduled to cover the following:

Regular Quarterly Meetings *(to be held prior to quarterly director Meeting)*

The Audit Committee will be presented with more detailed quarterly financial information than that given to the other Directors. Members will have the opportunity to ask questions with respect thereto.

Pre-Year End Audit/Miscellaneous Meeting

The purpose of the meeting will be to help ensure the annual audit is conducted in an efficient, cost-effective and objective manner.

The Audit Committee will review with the external auditors the scope of the current year's audit, including the areas where the external auditors have identified a risk of potential error in the financial condition and/or results of operations and will review the materiality on which the audit is based.

The Audit Committee will review the control weaknesses detected in the prior year's audit, and determine whether all practical steps have been taken to overcome them.

The Audit Committee will review and approve the external auditor's engagement letter, including the audit fee and expenses.



Risk management could be reviewed at this meeting.

Post-Year End Audit Meeting

It is proposed that this meeting will take the following format:

- (a) External auditors to review proposed report on the financial statements;
- (b) Management to review financial statements/disclosure;
- (c) The Audit Committee is to question;
 - (i) the selection of, and changes in accounting policies, particularly those in areas that are controversial or for which there is no authoritative guidance;
 - (ii) the methods used to account for unusual or particularly significant transactions;
 - (iii) the issues on which Management has made estimates or judgements that had a significant effect on the financial statements; and
 - (iv) transactions with related parties;
- (d) Audit Committee to recommend to the Directors the approval of the financial statements including the selection of appropriate accounting policies;
- (e) Audit Committee to inquire about changes in professional standards or regulatory requirements and recent accounting pronouncements;
- (f) Audit Committee to inquire into the major financial risks faced by the Corporation, and the appropriateness of related controls to minimize their potential impact;
- (g) Review of the external auditors' "management letter" documenting weaknesses in internal control systems and commenting on other matters;
- (h) Audit Committee to meet privately with the external auditors (without any member of Management being present) to ascertain whether there are concerns that should be brought to the committee's attention, such as: lack of cooperation of, or disagreements with, Management; adequacy of staffing in the financial areas; attempts to restrict the scope of the external auditors' examination; or significant, or potentially significant, misstatements, and any irregularities that the external auditors have discovered;
- (i) The Audit Committee is to meet privately with Management (without the external auditors being present) to ensure that Management has no concerns about the conduct of the audit and to inquire as to the experience and capabilities of the individuals being proposed to conduct the audit, their objectivity and independence;



- (j) External auditors to present invoice/following year quote; and
- (k) Audit Committee to recommend to the Directors the appointment of the external auditor for the following year.

Special Telephone Meetings may be scheduled to:

- (a) Review all prospectuses containing audited and unaudited financial information before release;
- (b) Review Management's Discussion and Analysis for consistency with the financial statements; and
- (c) Cover other items on an as needed basis.

Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives financial and other information, and the accuracy of the information provided to the Corporation by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with international financial reporting standards in Canada and applicable rules and regulations. These are the responsibility of Management and the external auditors.