



P.O. Box 30029
 Regina, SK CANADA S4N 7K9 Phone: (306) 525-4490
 www.agtfoods.com Fax: (306) 525-4463

AGT FOOD AND INGREDIENTS INC. COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The Compensation Committee (the “**Committee**”) is established by the Board of Directors (the “**Board**”) of AGT Food and Ingredients Inc. (the “**Corporation**”) to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of the Corporation’s executives and Directors, the directors and officers of the Corporation’s operating companies, and the compensation plans, policies and programs of the Corporation and its operating companies. In addition, the Committee shall produce an annual report on executive officer and Director compensation for inclusion where appropriate in the Corporation’s disclosure documents.

References in this Charter to “executive officers”, “officers”, “management” and “employees” shall include the Directors of the Corporation, any officers or employees of the Corporation, and any officers or employees of any corporations or subordinate entities owned or controlled by the Corporation.

II. COMPOSITION OF COMMITTEE

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three Directors, provided that each member of the Committee shall be determined by the Board to be:

- (a) an independent Director for the purposes of and pursuant to the Corporation’s Corporate Governance Guidelines;
- (b) an “**unrelated**” and “**independent**” Director as defined in and for the purposes of any applicable governance guidelines or listing standards of any stock or securities exchange upon which the securities of the Corporation are from time to time listed; and
- (c) an “**independent**” Director for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation, who shall have in such regard no direct or indirect material relationship with the Corporation.

The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed annually at the time of each annual meeting of Shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board or until they cease to be Directors of the Corporation.





III. COMMITTEE PROCEDURE

1. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board may remove and replace any member of the Committee at any time.

2. Chair

The Board shall appoint a Chair for the Committee (the “**Chair**”). The Chair may be removed and replaced by the Board at any time.

3. Absence of Chair

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

4. Secretary of Committee

The Secretary to the Committee shall be the member of committee designated by the Chair or his/her delegate.

5. Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and shall also at least annually meet separately with the Chief Executive Office and Chief Operating Officer.

6. Special Meetings

The Chair, any two members of the Committee, or the Chair of the Board may call a special meeting of the Committee.

7. Quorum

Two members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

8. Notice of Meetings



Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9. Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

10. Delegation

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

11. Access

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Corporation and its operating companies.

12. Attendance of Officers at a Meeting

At the invitation of the Chair, one or more officers or employees of the Corporation or its operating companies may, and if required by the Committee shall, attend a meeting of the Committee.

13. Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

14. Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist the Committee in evaluating compensation and to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.



IV. MANDATE OF COMMITTEE

1. Compensation Guidelines and Agreements

The Committee shall review and recommend to the Board a comprehensive statement of compensation philosophy, strategy, and principles for the executive officers and Directors of the Corporation and the executive officers and employees of the Corporation's operating companies, and administer the Corporation's compensation and benefits programs in accordance with the statement approved by the Board. The statement shall take into account all applicable laws, rules and guidelines regarding executive and Director compensation and accountability.

The Committee shall also be responsible for reviewing and recommending to the Board certain matters relating to all officers, employees and Directors, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

2. Executive Officer Evaluation and Compensation

The Committee shall review and approve the use of corporate goals and objectives relevant to the total compensation package of the executive officers identified by the Board, recommend a performance evaluation process for such executive officers, evaluate the performance of such executive officers in light of these goals and objectives and using this process, and, together with the other independent Directors, determine and approve such executive officers' compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of such executive officers, the Committee shall consider the Corporation's performance and relative unitholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to such executive officers in past years.

This Charter should not be construed as precluding discussion of the compensation of such executive officers with the Board generally, as it is not intended to impair communication among members of the Board.

3. Other Executive Compensation and Oversight

The Committee shall oversee the evaluation of the executive officers of the Corporation and its operating companies and shall make recommendations to the Board with respect to the total compensation package for such executive officers.

4. Compensation Review

The Committee shall review periodically, and make recommendations to the Board regarding, incentive compensation plans, programs or similar arrangements that the Corporation or its



operating companies establish for, or make available to, their officers, employees and consultants, including the designation of the officers, employees and consultants who may participate, the share and option availability and the administration of share purchases.

In addition, the Committee shall review periodically the extent to which these forms of compensation are meeting their intended objectives, and shall make recommendations to the Board regarding modifications that will more accurately relate such compensation to officer, employee and consultant performance.

5. Management Resources and Plans for Executive Development

The Committee shall review existing management resources and plans, including recruitment, training and evaluations, to ensure that qualified personnel will be available for succession to executive positions at the Corporation and key officer positions in its operating companies. The Committee shall also periodically discuss with the executive officers their views as to successors in the event of the unexpected incapacity of such executive officers. The Committee shall report on this matter to the Board at least once a year.

6. Director Compensation

The Committee shall review and make recommendations to the Board with respect to the compensation of the Corporation's Directors, including equity and equity-based compensation, if any, to ensure that Director's compensation is appropriate, and adequately reflects the responsibilities of a Directorship.

7. Retirement Matters

The Committee shall:

- (a) review and recommend for approval by the Board any material changes in the retirement plans of the Corporation or its operating companies, if any;
- (b) review and approve the investment, funding, and benefits policies relating to the retirement plans of the Corporation or its operating companies, if any, and any changes thereto;
- (c) receive and review periodic reports from management committees which supervise the retirement plans of the Corporation or its operating companies, if any, including reports concerning the investment results, funding results, plan member communications and legal compliance/reporting in relation to such plans;
- (d) where appropriate, give direction concerning retirement program matters to the management committees which supervise the retirement plans of the Corporation or its operating companies, if any;



- (e) where appropriate, evaluate, for review by the Board, any retirement program matters that may be of concern or interest to the Board; and
- (f) review, and make recommendations to the Board regarding, any material benefits to retiring employees outside of approved retirement and other benefit programs.

8. Compensation Committee Report

The Committee shall produce the “Compensation Committee Report” on executive officer compensation as required to be published by applicable laws, rules and guidelines.

9. Annual Evaluation

The Committee’s performance shall be evaluated annually by the Board.

10. Review of Disclosure

The Committee shall review those portions of the Corporation’s annual disclosure documents containing significant information relating to matters within the Committee’s mandate.

11. Review of Committee’s Charter

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

12. Non-Exhaustive List

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities.