



AGT FOOD AND INGREDIENTS INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
JUNE 15, 2016**

-AND-

MANAGEMENT INFORMATION CIRCULAR

May 11, 2016

THIS NOTICE AND MANAGEMENT INFORMATION CIRCULAR ARE FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF AGT FOOD AND INGREDIENTS INC. OF PROXIES TO BE VOTED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY, JUNE 15, 2016 AT 11:00 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

**AGT FOOD AND INGREDIENTS 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 AGT Food and Ingredients 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 Wednesday, June 15, 2016 at 11:00 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, 2015;
- (b) to elect the directors of AGT for the ensuing year;
- (c) to re-appoint KPMG LLP as the auditor of AGT and to authorize the directors of AGT to fix their remuneration;
- (d) to approve all unallocated options under AGT’s Stock Option Plan, 2010;
- (e) to approve all unallocated rights and other entitlements under AGT’s Employee Share Purchase Plan;
- (f) to approve and ratify the Shareholder Rights Plan Agreement dated May 11, 2016, as more particularly set forth in Schedule “E” to the accompanying management information circular; and
- (g) 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 4, 2016. This notice is accompanied by a form of proxy and a management information circular that provides particulars of the matters set out in this notice.

DATED at Regina, Saskatchewan, this 11th day of May, 2016.

ON BEHALF OF THE BOARD OF DIRECTORS:

(Signed) “*Murad Al-Katib*”

Murad Al-Katib
Director, President and Chief Executive Officer

<p>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 11:00 a.m. (Toronto time) on June 13, 2016, or 48 hours (excluding Saturdays, Sundays and statutory holidays) 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.</p>
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**AGT FOOD AND INGREDIENTS INC.
MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of AGT Food and Ingredients 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 11:00 a.m. (Toronto time) on Wednesday, June 15, 2016 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 11, 2016.

These materials are being sent to both registered and non-registered holders of Common Shares. If you are a non-registered holder, 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. 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 11:00 a.m. (Toronto time) on June 13, 2016, or 48 hours (excluding Saturdays, Sundays and statutory holidays) 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 11:00 a.m. (Toronto time) on June 13, 2016, or 48 hours (excluding Saturdays, Sundays and statutory holidays) 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 4, 2016 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. As at the date hereof, neither the directors of AGT (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, RRIAs, 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 and Depositories 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 or the Depository, 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 provided form of proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided or, in the case of the voting instruction form, follow the corresponding instructions on the voting instruction form. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary or Depository, including those regarding when and where the form of proxy or voting instruction 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, 2015, 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 OF VOTING SECURITIES

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 24, 2016. As at May 11, 2016, there were 23,896,489 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 11, 2016, the Carme Trust (the "**Trust**") holds 3,312,601 Common Shares, representing approximately 13.9% of the issued and outstanding Common Shares, calculated on a non-diluted basis. Mr. Murad Al-Katib, the President and Chief Executive Officer ("**CEO**") of AGT has voting control over the Common Shares held by the Trust by way of a voting instrument with the Trust administrator. 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, 2015, the auditor's report on such financial statements, and management's discussion & analysis ("**MD&A**") for the year ended December 31, 2015 are posted on AGT's website, www.agtfoods.com, and are available under AGT's profile on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") at 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 the Management's nominees. All of the nominees other than Greg Stewart and Marie-Lucie Morin 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 Director nominees, the individual's name, province and country of residence, as applicable, principal occupation and the date on which the individual was appointed as a Director of AGT or a trustee of Alliance Grain Traders Income Fund (the "**Fund**"), the predecessor of AGT, if applicable.

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 11, 2016)	PRINCIPAL OCCUPATION
Murad Al-Katib Regina, Saskatchewan, Canada	August 1, 2007	3,847,003 ⁽¹⁾⁽²⁾	President and CEO, AGT and of all AGT's Subsidiaries (as defined below)
Hüseyin Arslan Mersin, Turkey	January 31, 2008	Nil	Executive Chairman ("Chairman") of AGT and President, the Arbel Group (as defined below). Director of certain companies owned by the Arslan family
Howard N. Rosen ^{(3)(4) (5)(6)} Ontario, Canada	November 30, 2004	23,000 ⁽⁷⁾	Senior Managing Director, FTI Consulting
John Gardner ^{(3)(4) (5)} Ontario, Canada	June 28, 2011	19,616 ⁽⁸⁾	President and Director, Gardner Advisory Services Inc.
Drew Franklin ^{(3)(4) (5)} Wisconsin, USA	June 18, 2012	15,333	Global Vice President, S.C. Johnson
Greg Stewart Saskatchewan, Canada	N/A	Nil	Independent Consultant and Corporate Director
Marie-Lucie Morin Ontario, Canada	N/A	Nil	Independent Consultant and Corporate Director

Notes:

- (1) 364,032 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 retains control by way of a voting instrument with the Trust administrator.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Nominations Committee.
- (6) Lead Director
- (7) 5,000 Common Shares are held by Mr. Rosen directly and 18,000 are held by Randy Rosen, Mr. Rosen's wife.
- (8) 2,950 Common Shares are held by Mr. Gardner directly, 13,416 Common Shares are held by Gardner Advisory Services Inc., a corporation controlled by Mr. Gardner and 3,250 Common Shares are held by Brenda Gardner, Mr. Gardner's wife.

Each of the Director nominees listed above has been engaged for five years or more in his or her present principal occupation and/or as set forth below.

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., 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 Pulse Processors Inc. 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 completed a Masters from the Thunderbird School of Global Management in Arizona and a Bachelor of Commerce from the University of Saskatchewan, and then worked in international trade promotion for the Government of Saskatchewan. Mr. Al-Katib has served on the Board of Directors of the Canadian Special Crops Association and Pulse Canada and served as 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 the Government of Canada's renewal of Canada's Global Commerce Strategy and on the Advisory Committee for the Review of the Canada Transportation Act for the Minister of Transport.

Currently, Mr. Al-Katib serves as the current Chair of the Regina Regional Opportunities Commission and on the Board of the Asia Pacific Foundation of Canada. Mr. Al-Katib has been the recipient of a number of prestigious awards including the 2004 Ernst and Young Emerging Entrepreneur of the Year and one of 2005's Canada's "Top 40 under 40" by the Caldwell Partners and the Globe and Mail. In 2012, Mr. Al-Katib was the recipient of a Queen's Diamond Jubilee Medal, complementing his award of a Queen's Saskatchewan Centennial Medal given in 2006 for Business Achievement, as well as the 2012 Pulse Promoter Award from BASF and Saskatchewan Pulse Growers. Also in 2012, Mr. Al-Katib led AGT to its second Saskatchewan ABEX Award for Saskatchewan Business of the Year, the first time a Saskatchewan company has repeated as Award Winner. He was also named to PROFITGuide Magazine's list of the "30 Most Fabulous Entrepreneurs of the Past 30 Years" in Canada. In 2016, Mr. Al-Katib was named the United Nations Association of Canada's 70th Anniversary Global Citizen Laureate.

Hüseyin Arslan. Mr. Arslan, involved in the global pulses and staple food business for over 30 years, has presided for the last 15 years as the President of the Arbel Group. In 2001, Mr. Arslan was one of the founding shareholders of Saskcan providing the nucleus for AGT, where he has served as a director or trustee since 2008 and Chairman since 2009. Mr. Arslan is also a director of Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş. ("**Arbel**"), Durum Gıda Sanayi ve Ticaret A.Ş. ("**Durum**"), the producer of the Arbella pasta brand, Turkpulse Dış Ticaret A.Ş. ("**Turkpulse**", and together with Arbel and Durum, the "**Arbel Group**"), as well as certain companies owned by the Arslan Family in Turkey. Mr. Arslan holds a Bachelor of Science in Electronics Engineering from Middle East Technical University in Turkey and has over three decades of experience in the trading of agricultural and food products globally. In 2015, Mr. Arslan was selected as President of the Global Pulse Confederation (formerly referred to as the International Pulse Processors and Exporters Federation), the global pulse industry association after serving as Executive Vice-President since 2013, as well as serving as the President of the Mersin Trade Commodity Exchange Council.

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

John Gardner. Mr. Gardner is an experienced financial and business manager with a career spanning the public accounting, food retail and food service industries. Mr. Gardner is the President and Director of Gardner Advisory Services Inc., a corporation providing general management and strategic planning consultation to small and medium sized corporations. Mr. Gardner currently serves as the President and CEO and board member of ergoCentric, dedicated to design, manufacture and sell modular ergonomic seating solutions for office, specialty and healthcare environments. Mr. Gardner also serves on the board for The Econo-Rack Group Inc. Other company experience includes serving as a director with Genesis Worldwide Inc. ("**Genesis**"), a developer of structural building technology for residential and commercial applications, listed on the Toronto Stock Exchange (the "**TSX**") and the Alternative Investment Market of the London Stock Exchange. In 2006, Mr. Gardner, serving as Executive Chairman of the board of directors, led the Genesis initial public offering on both exchanges and was instrumental in providing strategic leadership as well as building the board and management for the company. Mr. Gardner also has experience as a past President and CEO of Sysco Food Services of Toronto and past President of Lumsden Brothers Limited, a member of

Sobeys Inc. A graduate of The Chartered Directors program from McMaster University and The Conference Board of Canada, Mr. Gardner has a career highlighted by 20 years of executive management and board experience with a number of large public corporations, in Canada and internationally. In 1978, he was admitted to the Newfoundland Institute of Chartered Accountants and was awarded a Fellowship of Chartered Accountants in 1989. Mr. Gardner earned a Master of Business Administration degree in 1984 from Memorial University of Newfoundland where he also completed a Bachelor of Commerce degree in 1975.

Drew Franklin. Mr. Franklin has worked extensively in consumer packaged goods for over 30 years with some of the industry's top companies including Procter & Gamble, General Mills and S.C. Johnson. Currently, Mr. Franklin is Vice President, General Manager of ASEAN for S.C. Johnson; responsible for a market of 650 million consumers through 10 countries in Southeast Asia with full P&L responsibility. All general managers, country managers, marketing and sales teams report to Mr. Franklin as the company's senior officer in charge of the region. Prior to his current role, Mr. Franklin served as Global Vice President of the \$1.5 billion Home Storage (Ziploc) brand at the company's international headquarters in Racine, Wisconsin. Mr. Franklin was also President and General Manager of S.C. Johnson Canada from 2004-2007, where he was accountable to the board of directors while overseeing multiple factories and all functions, operations and P&L responsibility for the subsidiary. During this time, Mr. Franklin also served as Chairman of the Canadian Consumer Specialty Products Association, the Corporations Sharing Responsibility Organization, while also sitting on the Food and Consumer Products Manufacturers Council and was chair of its policy committee. A graduate of the Sobey School of Business at Saint Mary's University in Halifax, Nova Scotia, Mr. Franklin has worked extensively in brand management, sales and general management roles throughout North America and the globe. He has served on company boards in Canada, Europe, South America, Asia and the United States. Mr. Franklin also sat on the Advisory Council for the MBA Brand and Product Management program at the University of Wisconsin in Madison. Prior to S.C. Johnson, Mr. Franklin oversaw key business units at General Mills Canada, and prior to that began his career at Procter and Gamble. He resides in Racine, Wisconsin with his wife and children.

Greg Stewart. Mr. Stewart has been an independent consultant and corporate director since his retirement from Farm Credit Canada ("FCC"). Mr. Stewart is the past President and Chief Executive Officer at FCC. Mr. Stewart's career at FCC spanned 27 years, 16 years of which were in a senior leadership capacity, and his final seven years as the President and CEO. He retired from FCC in 2014. Mr. Stewart is a champion of risk management practices, and was instrumental in developing and maturing FCC's risk management profile. Under his leadership, FCC's national loan portfolio and income increased significantly. Among other high-performance initiatives to impact culture and accountability at FCC, Mr. Stewart led a multi-year multi-million dollar program to improve business processes and implement technological transformations. He also volunteers his time as a board member for Habitat for Humanity Canada, Food Banks Canada, and serves as a board member for the Bank of Canada. He holds a Chartered Director designation from the Directors College, and a Bachelor of Science (Agriculture) degree from the University of Manitoba.

Marie-Lucie Morin, P.C. Ms. Morin has been an independent consultant and corporate director since her retirement from the World Bank. Prior to her current occupation, Ms. Morin served as Executive Director for Canada, Ireland and the Caribbean at the World Bank from 2010 to 2013. Before joining the World Bank, Ms. Morin pursued a 30-year career in the Canadian Federal Public Service. She was appointed National Security Advisor to the Prime Minister and Associate Secretary to the Cabinet in November in 2008; previously she served as Deputy Minister for International Trade and as Associate Deputy Minister of Foreign Affairs. During the earlier years of her career with the Department of Foreign Affairs and International Trade, Ms. Morin completed assignments in San Francisco, Jakarta, London and Moscow. In 1997, she was appointed Ambassador to the Kingdom of Norway with

concurrent accreditation to the Republic of Iceland. Ms. Morin was awarded the Governor General's 125th Anniversary of the Confederation of Canada Medal and she was named Chevalier de la Légion d'honneur in 2012. Ms. Morin has also served on a number of boards and advisory committees, she was an advisor to the Canada Transportation Act Review panel and is currently a member of the Security Intelligence Review Committee. Ms. Morin, a lawyer, is a graduate of the Université de Sherbrooke.

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

The board of directors of AGT (the "**Board**") has adopted a majority voting policy relating to the election of Directors. See "Corporate Governance – The Board – Nomination of Directors".

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

3. RE-APPOINTMENT OF AUDITOR

At the Meeting, the Shareholders will be called upon to approve the re-appointment of KPMG LLP ("**KPMG**") as auditor of AGT to hold office until the close of the next annual meeting of Shareholders, and to authorize the Directors to fix their remuneration. KPMG was first appointed as auditor of AGT on June 17, 2010.

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

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

4. APPROVAL OF UNALLOCATED OPTIONS UNDER THE OPTION PLAN

The Stock Option Plan 2010, as amended (the "**Option Plan**"), previously approved by Shareholders on June 27, 2013 is an "evergreen" plan where the number of Common Shares which may be reserved for issuance on the exercise of options to acquire Common Shares (the "**Options**") equals six percent (6%) of the Common Shares issued and outstanding from time to time.

The Option Plan is summarized below under "Executive Compensation – Equity Compensation Plan Information – Stock Option Plan".

The TSX requires that every three years after the institution of an evergreen security-based compensation arrangement, all unallocated options, rights or other entitlements must be approved by a majority of the listed issuer's directors and securityholders. At the Meeting, Shareholders will be asked to consider and approve a resolution (the "**Option Plan Resolution**") of Shareholders to approve the granting of Options and to approve the unallocated Options under the Option Plan. If the resolution is passed at the Meeting, Shareholder approval will be requested again no later than June 15, 2019.

The text of the Option Plan Resolution is set out in Schedule "B" to this Circular and requires approval by at least a majority of the votes cast thereon.

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

5. APPROVAL OF UNALLOCATED ENTITLEMENTS AND RIGHTS UNDER THE ESPP

The employee share purchase plan (the “**ESPP**”), previously approved by Shareholders on June 27, 2013, is an “evergreen” plan where the number of Common Shares which may be reserved for issuance to participants will not exceed four percent (4%) of the Common Shares issued and outstanding from time to time.

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

The TSX requires that every three years after the institution of an evergreen security-based compensation arrangement, all unallocated options, rights or other entitlements must be approved by a majority of the listed issuer’s directors and securityholders. At the Meeting, Shareholders will be asked to consider and approve a resolution (the “**ESPP Resolution**”) of Shareholders to approve the granting of Common Shares and to approve the unallocated rights and other entitlements under the ESPP. If the resolution is passed at the Meeting, Shareholder approval will be requested again no later than June 15, 2019.

The text of the ESPP Resolution is set out in Schedule “C” to this Circular and requires approval by at least a majority of the votes cast thereon.

Unless a proxy specifies that the Common Shares it represents are to be voted against the ESPP Resolution, the proxies named in the accompanying form of proxy intend to vote in favour of the ESPP Resolution.

6. APPROVAL OF ADOPTION OF SHAREHOLDER RIGHTS PLAN

At the Meeting, Shareholders will be asked to consider and approve a resolution (the “**Rights Plan Resolution**”) of Shareholders to approve and ratify the adoption of the shareholder rights plan agreement approved by the Board and entered into between AGT and TMX Equity Transfer and Trust Company (the “**Rights Agent**”) on May 11, 2016 (the “**Rights Plan**”). The Board believes it is in the best interests of Shareholders that the Rights Plan be adopted for an initial three-year period following the date of its confirmation by a majority of the votes cast by the Shareholders at the Meeting, or until the date it is earlier terminated. The Rights Plan is not being proposed for adoption in anticipation of or in response to any known offer or similar transaction, nor is the Board aware of any pending or threatened take-over bid for AGT.

The following is a summary only of the terms of the Rights Plan and is qualified in its entirety by the full text of the Rights Plan. Shareholders are urged to read the Rights Plan, which is attached as Schedule “E” to this Circular. All capitalized terms used but not defined in this section of this Circular have the meanings ascribed to them in the Rights Plan, unless otherwise indicated.

Purpose of the Rights Plan

On May 9, 2016, significant amendments to the Canadian take-over bid regime came into force. Of particular significance, the minimum period a take-over bid must remain open for deposits of

securities was extended to 105 days (from its previous 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. In addition, the ability of an offeror to conduct a “partial” bid was restricted as an offeror can now not take-up securities under a take-over bid unless more than 50% of the outstanding securities owned by persons other than the bidder and any joint actors have been deposited. The Rights Plan is consistent with these amendments and requires that a take-over bid for the securities of AGT satisfy certain minimum standards intended to promote fairness or have the approval of the Board, by:

- (i) protecting against “creeping bids” (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules, such as (A) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all Shareholders, (B) acquiring control through the slow accumulation of Common Shares over a stock exchange without paying a control premium, or (C) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all Shareholders; and
- (ii) preventing a potential acquiror from entering into lock-up agreements with existing Shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By requiring take-over bids to satisfy such minimum standards, the Board wants to allow all Shareholders to benefit from the acquisition of a control position of 20% or more of the Common Shares, and allow the Board to have sufficient time to explore and develop all options for maximizing Shareholder value in the event a person tries to acquire a control position in AGT. Under the Rights Plan, potential acquirors are prevented from accumulating effective control of AGT or a blocking position against other bidders except by way of a Permitted Bid (as described below).

Overview of the Operation of the Rights Plan

Issuance and Exercise of Rights

The Rights Plan provides that one right (a “**Right**”) will be issued by AGT pursuant to the Rights Plan in respect of each Common Share outstanding as of the close of business (the “**Record Time**”) on May 11, 2016. One Right will also be issued for each additional Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time, subject to the earlier termination or expiration of the Rights as set out in the Rights Plan. Each Right entitles the registered holder thereof, after the Separation Time, to purchase from AGT one Common Share at the “Exercise Price” which is a price equal to, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms of the Rights Plan, shall be: (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share, subject to adjustment in accordance with the Rights Plan (including in the event of a Flip-in Event as described below under “Flip-in Event and Exercise”).

Until the Separation Time, (i) the Rights will not be exercisable and no Right may be exercised, and (ii) for administrative purposes each Right will be evidenced by the Share Registrations for the associated Common Shares registered in the names of the holders of such Common Shares and will be transferable only together with, and will be transferred by a transfer of, such associated Common Shares.

Separation Time

The Separation Time is the close of business on the 10th Trading Day after the earliest of (i) the Share Acquisition Date, which is the first date of public announcement of facts indicating that a Person has become an Acquiring Person; (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than AGT or any Subsidiary of AGT) to commence, a take-over bid (other than a Permitted Bid or a Competing Bid); and (iii) the date on which a Permitted Bid or Competing Bid ceases to qualify as such. In each case, the Separation Time can be such later date as may be determined by the Board provided that, if any take-over bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made, and provided further that if the Board determines to waive the application of the Rights to which registered holders are entitled to upon the occurrence of a Flip-in Event (as further described below in the section entitled “Redemption and Waiver”), the Separation Time in respect of such Flip-in Event will be deemed never to have occurred.

Acquiring Person

In general, an Acquiring Person is a Person who is at any time the Beneficial Owner of twenty percent (20%) or more of AGT’s outstanding Common Shares. Excluded from the definition of “Acquiring Person” are (i) AGT and any of its Subsidiaries, (ii) any Person who becomes an Acquiring Person as a result of one or any combination of a Corporate Acquisition, a Permitted Bid Acquisition, a Corporate Distribution, an Exempt Acquisition, or a Convertible Security Acquisition, (iii) for a period of 10 days after the Disqualification Date, being the first date of the public announcement of fact indicating that any Person is making or intends to make a take-over bid, any Person who becomes the Beneficial Owner of twenty percent (20%) or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on the exclusion from being deemed a Beneficial Owner as a result of holding such security in its capacity as a Fund Manager, Trust Company, Statutory Body, Crown Agent, Independent Person or Pension Fund, and (iv) an underwriter or member of a banking or selling group that acquires Common Shares in connection with the distribution of securities (including, for greater certainty, by way of private placement of such securities) to the public.

The definitions of “Corporate Acquisition”, “Permitted Bid Acquisition”, “Corporate Distribution”, “Exempt Acquisition”, and “Convertible Security Acquisition” are set out in the Rights Plan.

Beneficial Ownership, Exemptions for Portfolio Managers and Others and Permitted Lock-up Agreements

As described above, in determining whether a Person has become an Acquiring Person, all Common Shares which the Person is deemed to Beneficially Own at the time are included. A Person is deemed to Beneficially Own any Common Shares that its Associates, Affiliates, or persons “acting jointly or in concert” with any of the foregoing for the purpose of acquiring Common Shares, owns or has the right to acquire within 60 days. Fund Managers, Trust Companies, Statutory Bodies, Crown Agents and Pension Funds are not Acquiring Persons simply because they may have the right to vote Common Shares managed by them for others.

The definitions of “Fund Manager”, “Trust Company”, “Statutory Body”, “Crown Agent” and “Pension Fund” are set out in the Rights Plan.

A Person may also be considered to Beneficially Own Common Shares that are subject to an agreement under which a Shareholder agrees to tender its Common Shares to a take-over bid

(“**Lock-Up Bid**”) made by that Person. The Person is not deemed to Beneficially Own such Common Shares if the Shareholder has agreed to deposit or tender its Common Shares pursuant to a Permitted Lock-Up Agreement. In order for an agreement to be considered a Permitted Lock-Up Agreement, certain conditions must be met, including:

- (i) the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has not been made prior to the date on which such agreement is entered into, not later than the day following the date of such agreement;
- (ii) the holder who has agreed to tender Common Shares to the Lock-Up Bid made by the other party to the agreement is permitted to terminate its obligation under the agreement, in order to tender Common Shares to another take-over bid or to support another transaction where: (i) the offer price or value of the consideration payable under the other take-over bid or transaction is greater than the price or value of the consideration per share at which the holder has agreed to deposit or tender Common Shares to the Lock-Up Bid, or is greater than a specified minimum which is not more than 7% higher than the price or value of the consideration per share at which the holder has agreed to deposit or tender Common Shares under the Lock-Up Bid; and (ii) if the number of Common Shares offered to be purchased under the Lock-Up Bid is less than all of the Common Shares (excluding Common Shares held by the offeror), the number of Common Shares offered to be purchased under the other take-over bid or transaction (at an offer price not lower than in the Lock-Up Bid) is equal to or greater than a specified number which is not more than 7% higher than the number of Common Shares offered to be purchased under the Lock-Up Bid; and
- (iii) no break-up fees, top-up fees, or other penalties that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-Up Bid and 50% of the increase in consideration resulting from another take-over bid or transaction shall be payable by the holder if the holder fails to deposit or tender Common Shares to the Lock-Up Bid.

Flip-In Event and Exercise

A Flip-in Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board occurs (as further described below in the section entitled “Redemption and Waiver”), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a Person, which Rights will become null and void) will thereafter constitute the right to purchase from AGT upon exercise of such Right in accordance with the terms of the Rights Plan that number of Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-In Event the Exercise Price is \$150 and the Market Price of the Common Shares is \$50, the holder of each Right would be entitled to purchase Common Shares having an aggregate Market Price of \$300 (that is, six Common Shares) for \$150 (that is, a 50% discount from the Market Price).

Permitted Bid and Competing Bid

An Offeror can avoid causing a Flip-in Event by making a Permitted Bid. A Permitted Bid is a take-over bid made by means of a take-over bid circular and which also complies with the following additional provisions:

- (i) the take-over bid is made to all holders of Common Shares as registered on the books of AGT, other than the Offeror;
- (ii) the take-over bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Common Shares will be taken up or paid for pursuant to the take-over bid:
 - (A) prior to the close of business on the date which is not less than one hundred and five (105) days following the date of the take-over bid or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
 - (B) only if at such date more than 50% of the Common Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (iii) unless the take-over bid is withdrawn, the take-over bid contains an irrevocable and unqualified provision that Common Shares may be deposited pursuant to such take-over bid at any time during the period of time described in Clause (ii)(A) above and that any Common Shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
- (iv) unless the take-over bid is withdrawn, the take-over bid contains an irrevocable and unqualified provision that in the event that the deposit condition referred to in Clause (ii)(B) above is satisfied and such Common Shares are taken up by the Offeror, the Offeror will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Common Shares for not less than ten (10) days from the date of such public announcement.

An Offeror can also avoid causing a Flip-in Event by making a Competing Bid. A Competing Bid means a take-over bid that: (i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid, (ii) satisfies all the components of the definition of a Permitted Bid other than the requirements set out in Clause (ii)(A) above of the definition of a Permitted Bid; and (iii) contains, and the take up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the take-over bid prior to the close of business on a date that is no earlier than the date that is no earlier than the minimum number of days such take-over bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the take-over bid constituting the Competing Bid.

Redemption and Waiver

If a potential offeror does not desire to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a take-over bid by way of a take-over bid circular sent to all

holders of Common Shares on terms which the Board considers fair to all Shareholders. In such circumstances, the Board may waive the application of the Rights Plan thereby allowing such bid to proceed without dilution to the Offeror. Any waiver of the application of the Rights Plan in respect of a particular take-over bid shall also constitute a waiver of any other take-over bid which is made by means of a take-over bid circular to all holders of Common Shares while the initial take-over bid is outstanding. The Board may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding Common Shares within 30 days or such earlier or later date as may be specified by the Board. With the prior consent of the holders of Common Shares, the Board may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of Common Shares otherwise than pursuant to a take-over bid made by way of a take-over bid circular, waive the application of the Rights Plan to such Flip-in Event.

The Board may, with the prior consent of the holders of Common Shares, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Bid or a take-over bid in respect of which the Board has waived the application of the Rights Plan.

Supplements and Amendments

The Board may amend the Rights Plan to correct clerical or typographical errors or to maintain the validity of the Rights Plan in light of legislative changes. Other amendments can only be made with the approval of the Shareholders or, after the Separation Time, the holders of the Rights. Any supplements or amendments to the Rights Plan require the prior approval of the TSX and any other stock exchange on which the Common Shares are listed.

Protection Against Dilution

The Exercise Price, the number and nature of Common Shares that may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Expiration

The Rights Plan and all outstanding Rights terminate and are void and of no further force and effect on and from the Expiration Time.

If the Rights Plan is not confirmed by a majority of the votes cast by holders of Common Shares (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Common Shares are then listed) who vote in respect of confirmation of the Rights Plan at the Meeting, or any adjournment of the Meeting, then the Rights Plan and all outstanding Rights will terminate and will be void and of no further force and effect from the close of business (Toronto time) on the date of the Meeting or adjournment of the Meeting (if adjourned).

The Rights Plan must be reconfirmed by a resolution passed by a majority of the votes cast by holders of Common Shares (subject to any additional requirements relating to such vote prescribed by a stock

exchange on which the Common Shares are then listed) at the annual shareholder meeting of AGT to be held in 2019 and at every third annual shareholder meeting of AGT thereafter. If the Rights Plan is not so reconfirmed or is not presented for reconfirmation at such annual meeting, the Rights Plan and all outstanding Rights will terminate and be void and of no further force and effect on and from the date of termination of such annual shareholder meeting.

Duties of the Board

The adoption of the Rights Plan will not in any way lessen or affect the duty of the Board to act honestly and in good faith with a view to the best interests of AGT. The Board, when a take-over bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to Shareholders as are considered appropriate.

TSX Approval

The TSX has accepted filing of the Rights Plan, subject to Shareholder ratification at the Meeting.

Certain Canadian Federal Income Tax Considerations of the Rights Plan

The following discussion generally summarizes certain Canadian federal income tax considerations of the issuance of Rights. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not anticipate any change in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations. AGT should not be required to include any amount in computing its income for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “ITA”) as a result of the issuance of the Rights. The conferral on all holders of common shares of a corporation of a right to acquire additional shares of the corporation is not a taxable benefit for the purposes of the ITA, and hence the value of such right need not be included in the income of the holder as a taxable benefit and is not subject to non-resident withholding tax under the ITA, provided that identical rights are conferred on all holders of common shares of the corporation. Although the Rights were conferred on all holders of Common Shares, the Rights may become void in the hands of certain holders of the Common Shares upon certain triggering events occurring (see “Flip-in Event and Exercise” above), and, consequently, whether or not the issue of the Rights will give rise to a taxable benefit to all holders of Common Shares is not entirely free from doubt. In any event, no amount must be included in income if the Rights do not have a monetary value at the date of issue. AGT considers that the Rights have no monetary value when issued, there being only a remote possibility that the Rights will ever be exercised. A holder of Rights could be required to include an amount in computing income or be subject to withholding tax under the ITA if the Rights become exercisable or are exercised. A holder of Rights may be subject to tax under the ITA in respect of the proceeds of disposition of such Rights.

This statement is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular holder of Common Shares. Such Shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and any applicable federal, provincial, territorial or foreign legislation.

The text of the Rights Plan Resolution is set out in Schedule “D” to this Circular and requires approval by at least a majority of the votes cast thereon, and if such approval is not received, the Rights Plan cannot be adopted.

Unless a proxy specifies that the Common Shares it represents are to be voted against the Rights Plan Resolution, the proxies named in the accompanying form of proxy intend to vote in favour of the Rights Plan Resolution.

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. Officers' compensation components include base salary, an incentive bonus and long term incentives in the form of Options and RSUs (as defined below). Greater emphasis is placed on the incentive bonus and long-term incentive components as AGT believes that such incentives are more effective in aligning the interests of its Officers 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 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, fees, the incentive bonus, Options, RSUs and DSUs (as defined below) 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 through option-based awards and share-based awards.

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 Officers to perform to the best of their abilities and to tie compensation to AGT's success. Officers 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 the Option Plan to provide additional long-term incentives to the Directors, Officers and employees of AGT and/or of corporations owned or controlled by AGT ("**Subsidiaries**"). 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 "Equity Compensation Plan Information - Stock Option Plan" below for additional details.

Long-Term Incentive Plan

AGT has a long-term incentive plan (the "**LTIP**") to provide additional long-term incentives to Directors, Officers and employees of AGT and its Subsidiaries. Pursuant to the LTIP, participants are entitled to receive notional share awards or notional option awards, which are tied to the market price of the Common Shares and are therefore aligned with the interests of the Shareholders. AGT presently issues such awards in the form of restricted share units ("**RSU**") and deferred share units ("**DSU**"), which are equity based awards and settled in cash and therefore non-dilutive to Shareholders. Officers and Directors are eligible to receive RSUs while only non-executive Directors are eligible to receive DSUs.

RSUs

RSUs are granted based on the same criteria as base salary, with a greater emphasis on the Officer's performance during the year. RSUs 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.

The number of RSUs granted is determined by dividing the assessed dollar amount representing the respective RSU award by the average closing market price of the Common Shares for the five business days immediately prior to the grant date. RSUs vest at a rate of 50% on the two year anniversary of the grant date and the remainder on the three year anniversary of the grant date and are settled at each respective vest date.

DSUs

The timing and grant of DSUs granted to non-executive Directors are determined by the Board, upon recommendation by the Compensation Committee. The number of DSUs granted is determined by dividing the assessed dollar amount representing the respective DSU award by the average closing market price of the Common Shares for the five business days immediately prior to the grant date. Under the LTIP, each non-executive Director may elect to receive all or a portion of his or her annual Board retainer fee compensation in DSUs, not including any fees paid to such non-executive Director for attendance at meetings of the Board or committees thereof. DSUs vest immediately upon grant and are paid out only when the non-executive Director leaves the Board. Dividend equivalents are earned at the same rate as cash dividends paid on the Common Shares.

Process

Following the completion of the fiscal year, the President and CEO presents an evaluation of AGT's performance, compared to its objectives, to the Compensation Committee. The President CEO also presents the recommended incentive bonus payments and Option, RSU and DSU 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 President and CEO and his direct reports under such incentive plans.

Financial Instruments

Officers and Directors are prohibited from purchasing 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.

Compensation Comparator Report

On March 21, 2014, the Board, on the recommendation of the Compensation Committee, engaged Mercers (Canada) Limited ("**Mercers**") to prepare reports on AGT's Director and Officer compensation. Mercers completed a review of the compensation levels of the individuals who served in the capacity of President and CEO, Chief Financial Officer ("**CFO**"), Chief Operating Officer ("**COO**") and Chairman of AGT relative to a comparator group. The 14 peer companies chosen for comparison were; Cott Corporation, Hain Celestial Group Inc., Darling Ingredients Inc., Colabor Group Inc., Nordbord Inc., SunOpta Inc., Premium Brands Holdings Corporation, Lassonde Industries Inc., High Liner Foods Incorporated, Western Forest Products Inc., J & J Snack Foods Corporation, Rogers Sugar Inc., Legumex Walker Inc. and AG Growth International Inc. (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, beverage and tobacco, food and staples retailing, transportation and materials.

Mercers compared AGT's compensation for its Officers against the comparator group and provided its findings in an executive compensation review dated August 1, 2014. Mercers' report found that the annual base salaries of the Officers were generally, with the exception of the CEO and CFO whose salaries were positioned at the 25th percentile and significantly lower than the 25th percentile respectively, positioned within market competitiveness. Mercers recommended that the majority of the Officers receive an increase to their base salaries in order to be competitive with the market median of the comparator group.

The report noted that the Officers' total cash compensation and total direct compensation were generally positioned below market competitive levels. Accordingly, the report recommended implementing target and maximum annual incentive opportunities for all Officers consistent with the market median to formalize AGT's annual incentive plan and support internal equity and implementing grant levels under the LTIP. Mercers also recommended that formal share ownership guidelines be put in place for the Officers and noted that the Officers' share ownership already met the recommended levels.

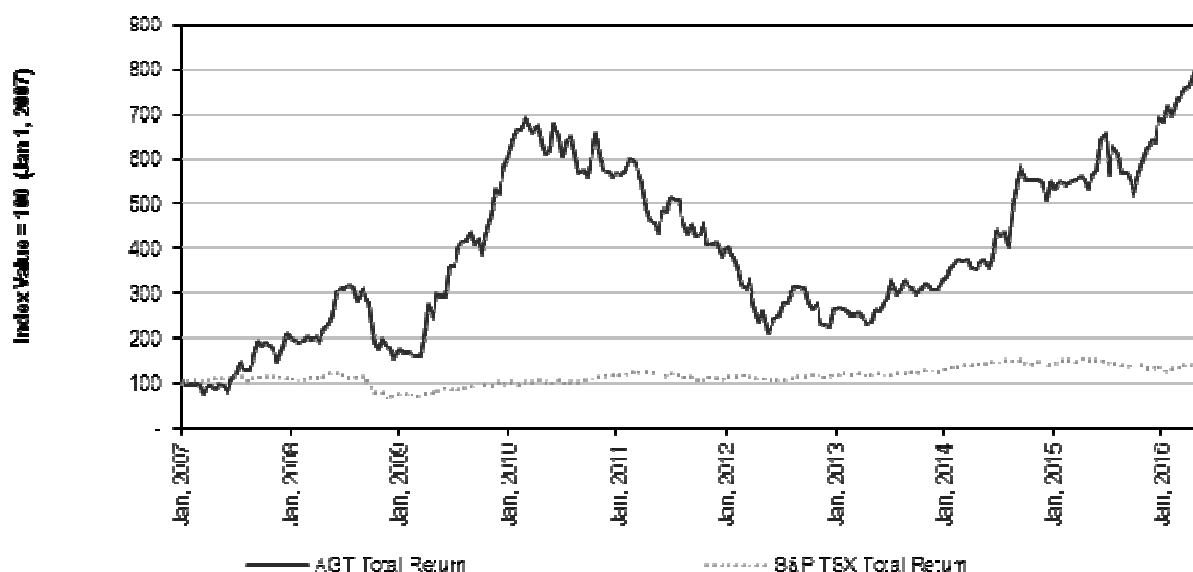
Mercers compared the Directors' compensation against the compensation provided to directors in the comparator group and provided its findings and recommendations in a director compensation review dated August 1, 2014. Mercers' report found that the Directors' compensation program was positioned just above 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 seven Board meetings and sits on two Board committees with four meetings each but does not chair either committee) receive total compensation of \$64,000. 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 non-executive Directors and that 50% of the Directors' base retainer be paid in DSUs.

Following receipt of the Mercers reports, the Board and the Compensation Committee made certain adjustments to AGT's compensation system on the basis of the conclusions reached, and recommendations made, in such reports. Notably, in the first quarter of 2016, the Board approved share ownership guidelines for Officers and non-executive Directors consistent with Mercers' recommendation which were produced by the Compensation Committee. See "Share Ownership Guidelines" below for additional details. 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 President and CEO, the CFO 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 CEO and CFO, as at December 31, 2015 whose total compensation for the year was, individually, more than \$150,000 (the "**Named Executive Officers**" or "**NEOs**") in that the NEOs 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 increased steadily and in accordance with Mercers recommendations and benchmarked to other companies in similar industries, so has the NEOs compensation.

Option-Based Awards and Share-Based Awards

The grant of option-based awards and share-based awards to Officers is determined as discussed above under "Incentive Option Plan" and "Long-Term Incentive Plan". The principal factor that governs the granting and allocation of Options and RSUs to Officers 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 below under "Equity Compensation Plan Information - Stock Option Plan".

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

Equity Compensation Plan Information

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 Option Plan governing the issuance of Options, 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 its 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 AGT 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 AGT 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 AGT.

Common Shares Reserved

As at May 11, 2016, the maximum number of Common Shares which may be reserved for issuance on the exercise of Options is 1,433,789 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 308,335, which represent approximately 1.29% of the current issued and outstanding Common Shares. As a result there are currently 1,125,454 Options available for future grant which represents approximately 4.71% of the current issued and outstanding Common Shares. As at May 11, 2016, 646,665 Options have been exercised under the Option Plan, representing approximately 2.7% 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), if applicable, 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 10 years. In the event that the Board does not determine the term and expiry date for an Option on or prior to the Grant Date, then such Option shall have a term of five 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.

Black-Out

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

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 AGT, 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.

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

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.

ESPP

All full-time and part-time employees of AGT and its Subsidiaries are eligible to participate in the ESPP, subject to the discretion of AGT. Participants in the ESPP (“**Participants**”) accumulate funds for the purchase of Common Shares through payroll deductions. A Participant may elect to contribute an amount during each regular payroll period of not less than one percent (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 quarterly beginning on the second anniversary date of a 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 consecutive trading days immediately preceding the Purchase Date or Vesting Date, as applicable. Since its inception, AGT has not issued from treasury any Common Shares under the ESPP.

Subject to the provision for certain adjustments provided for in the ESPP and summarized below, the number of Common 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 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 11, 2016 the maximum number of Common Shares which may be reserved for issuance under the ESPP is 955,860, or four percent (4%) of the number of issued and outstanding Common Shares from time to time (i.e. the ESPP has a “rolling maximum” instead of a fixed maximum).

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 (i) 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 (iii) 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.

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, 2013, 2014 and 2015.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	SHARE- BASED AWARDS ⁽¹⁾ (\$)	OPTION- BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		ALL OTHER COMP. (\$)	TOTAL COMP. (\$)
					Annual Incentive Plans ⁽²⁾	Long- term Incentive Plans		
Murad Al-Katib ⁽³⁾ President and CEO	2015	850,000	1,350,000	-	675,000	-	68,000	2,943,000
	2014	800,000	675,000	-	675,000	-	64,000	2,214,000
	2013	480,000	275,000	-	300,000	-	38,400	1,093,400
Lori Ireland CFO	2015	335,000	336,000	-	252,000	-	26,800	949,800
	2014	330,000	168,000	-	252,000	-	26,400	776,400
	2013	235,000	130,000	-	170,000	-	18,800	553,800
Gaetan Bourassa COO	2015	450,000	750,000	-	375,000	-	36,000	1,611,000
	2014	450,000	375,000	-	375,000	-	36,000	1,236,000
	2013	360,000	235,000	-	275,000	-	28,800	898,800
Hüseyin Arslan ⁽⁴⁾ Chairman	2015	550,000	850,000	-	375,000	-	25,000	1,800,000
	2014	500,000	425,000	-	375,000	-	25,000	1,325,000
	2013	360,000	275,000	-	300,000	-	18,000	953,000
Brian Lever Managing Director of Advance Seed Proprietary Limited ("Advance Seed")	2015	220,457	-	-	122,901	-	-	343,357
	2014	267,403	-	-	233,180	-	-	500,583
	2013	172,301	-	-	14,437	-	-	186,738

Notes:

- (1) The grant date fair value ("GDFV") of RSUs is calculated using a five day average of the closing market price of the Common Shares immediately prior to the grant date. See "Long-Term Incentive Plan" above for additional detail. The actual value realized will depend on the market price of the Common Shares at the time of vesting.
- (2) Incentive bonuses are accrued at year end and are paid in accordance with AGT's policy on incentive bonuses.
- (3) The President and CEO is also a Director. The President and CEO is not compensated for his services as a Director.
- (4) The Chairman is also a Director. The Chairman is not compensated for his services as a Director.

Narrative Discussion

The four elements of NEO compensation described above under "Compensation Discussion and Analysis" are disclosed in the table under salary, annual incentive plans, option-based awards and share-based award, respectively. In addition, the NEOs are entitled to an amount equal to eight percent (8%) of annual base salary, for contribution to an individual retirement plan.

Securities Authorized for Issuance under Equity Compensation Plans

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

PLAN CATEGORY	NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
Equity compensation plans approved by security holders	403,334	\$12.71	1,976,815
Equity compensation plans not approved by security holders	-	-	-
Total	403,334	\$12.71	1,976,815

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all option-based and share-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				SHARE-BASED AWARDS		
	NUMBER OF SHARES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (\$) ⁽¹⁾	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (\$)	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED (\$)
Murad Al-Katib President and CEO and Director	100,000	12.71	April 16, 2017	2,128,000	67,201	2,284,160	-
Lori Ireland CFO	50,000 ⁽²⁾	12.71	April 16, 2017	1,064,000	18,565	631,015	-
Gaetan Bourassa COO	70,000 ⁽³⁾	12.71	April 16, 2017	1,489,600	39,791	1,352,479	-
Hüseyin Arslan Chairman & Director	100,000	12.71	April 16, 2017	2,128,000	45,355	1,541,612	-
Brian Lever Managing Director of Advance Seed	-	-	-	-	-	-	-
Howard N. Rosen Director	50,000	12.71	April 16, 2017	1,064,000	6,411	217,898	-
John Gardner Director	25,000 ⁽⁴⁾	12.71	April 16, 2017	532,000	3,901	132,588	-
Drew Franklin	8,334	12.71	June 18, 2017	177,348	2,179	74,501	-

Notes:

- (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) Ms. Ireland exercised 33,333 of these Options on March 29, 2016.
- (3) Mr. Bourassa exercised 45,000 of these Options on March 24, 2016.
- (4) Mr. Gardner exercised 16,666 of these Options on March 23, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all option-based and share-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 (\$)	SHARE-BASED AWARDS VALUE VESTED DURING THE YEAR (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION — VALUE EARNED DURING THE YEAR (\$)
Murad Al-Katib President and CEO and Director	925,000	610,597	675,000
Lori Ireland CFO	462,500	289,892	252,000
Gaetan Bourassa COO	693,750	524,276	375,000
Hüseyin Arslan Chairman & Director	925,000	610,597	375,000
Brian Lever Managing Director of Advance Seed	-	-	122,901
Howard N. Rosen Director	462,500	-	-
John Gardner Director	231,250	-	-
Drew Franklin Director	231,250	-	-

Narrative Discussion

141,667 Options and 32,577 RSUs granted to NEOs and Directors vested during the most recently completed financial year, 16,666 of such Options were exercised and 32,577 of such RSUs were settled during the most recently completed financial year. The remaining Options (403,334 Options) and RSUs (180,962 RSUs) held by NEOs and Directors as at the end of the most recently completed financial year are disclosed above in the table of outstanding options-based awards and share-based awards.

Director Compensation

The total compensation paid or payable to the Directors for the year ended December 31, 2015 was \$386,300. The following table shows the compensation paid or payable to each Director for the year ended December 31, 2015, except Mr. Al-Katib and Mr. Arslan. As noted under footnote 3 to the summary compensation table, Mr. Al-Katib is both the President and CEO and a Director. In addition, as noted under footnote 4 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.

Summary Compensation Table

NAME	FEES EARNED (\$)	SHARE- BASED AWARDS ⁽¹⁾ (\$)	OPTION- BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	ALL OTHER COMP. (\$)	TOTAL COMP. (\$)
Howard Rosen	129,750	52,800	-	-	-	182,550
John Gardner	92,000	27,600	-	-	-	119,600
Drew Franklin	69,750	14,400	-	-	-	84,150

Notes:

- (1) GDFV of RSUs and DSUs is calculated using a five day average of the closing market price of the Common Shares immediately prior to the grant date. See “Long-Term Incentive Plan” above for additional detail. The actual value realized will depend on the market price of the Common Shares at the time of vesting.

Narrative Discussion

The Directors are entitled to compensation for services rendered to AGT in their capacity as directors. The Lead Director (as defined below) is entitled to \$105,000 per year and the other Directors are entitled to \$60,000 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 is entitled to an additional annual fee of \$20,000, the chair of the Compensation Committee is entitled to an additional annual fee of \$10,000 and the chair of the Nominations Committee is entitled to an additional annual fee of \$5,000. The Directors are also entitled to be granted Options under the Option Plan, RSUs and DSUs under the LTIP and to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Board or any committee thereof.

Share Ownership Guidelines

On March 17, 2016, the Board adopted share ownership guidelines for the President and CEO, the Chairman, the COO, the CFO and any employee specified by the Board (the “**Officer Share Ownership Guidelines**”) and share ownership guidelines for the non-executive Directors (the “**Director Share Ownership Guidelines**”), to align such participants’ interests with those of the Shareholders. Each of the participating Officers and the non-executive Directors are expected to achieve adherence to the Officer Share Ownership Guidelines or the Director Share Ownership Guidelines, as applicable, within five years from: (i) March 17, 2016; or (ii) upon becoming subject to the guidelines. Adherence to the Officer Share Ownership Guidelines and the Director Share Ownership Guidelines is determined annually on December 31 of each year with the value of each

eligible security held being the greater of the closing trading price of the Common Shares on the TSX or the cost of acquisition of the eligible security to the holder.

Officer Share Ownership Guidelines

Under the Officer Share Ownership Guidelines, each participating Officer is required to own, directly or indirectly, such number of Common Shares and RSUs at the end of each financial year that have an aggregate value equal to or greater than the multiple amount of their base salary, as set out beside the title of each participating Officer below:

TITLE	MULTIPLE OF BASE SALARY
President and CEO	5x
Chairman	3x
COO	3x
CFO	2x

Had the Officer Share Ownership Guidelines been in force on December 31, 2015, the President and CEO, the Chairman, the COO and the CFO would have met the eligible security thresholds described above.

Director Share Ownership Guidelines

Under the Director Share Ownership Guidelines, each non-executive Director is required to own, directly or indirectly, such number of Common Shares, RSUs and DSUs at the end of each financial year that have an aggregate value equal to or greater than three times the amount of their previous year annual board retainer (\$60,000 for 2015).

Had the Director Share Ownership Guidelines been in force on December 31, 2015, each of the current non-executive Directors other than Mr. Gardner (who subsequent to December 31, 2015 acquired additional Common Shares, which if calculated as of the date hereof would result in Mr. Gardner meeting the requisite eligible security threshold) would have met the eligible security threshold described above.

Summary Change of Control Agreement

AGT has entered into change of control agreements (the “**Agreements**”) with each of the NEOs other than Brian Lever. 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 NEOs annual base salary immediately prior to the date of the Change of Control;
- an amount equal to a multiple of the NEOs 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 President and CEO and the Chairman is 2.5, in respect of the COO is 2, and in respect of the CFO is 1.5.

The amounts of the severance payments that would have been made to each of the NEOs as at December 31, 2015 in the event of a termination following a Change of Control as described above would have been: Murad Al-Katib, \$6,543,750; Lori Ireland, \$1,316,700; Gaetan Bourassa, \$3,346,000; and Hüseyin Arslan, \$3,380,000.

The Agreements provide that the NEO shall not, either during his employment or for a period of eighteen months following the termination of his or her 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 NEOs 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, 2015 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 – *Information Circular*), 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**”) and National Policy 58-201 - *Corporate Governance Guidelines*.

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 each of AGT’s Subsidiaries. Mr. Arslan is not independent, as he is an officer of each of AGT, Arbel, Durum and Turkpulse.

As the Chairman is not an independent director, the Board has appointed Mr. Rosen as lead director (the “**Lead Director**”). The primary responsibility of the Lead Director is to ensure that the Board approaches its responsibilities in a manner that allows the Board to function independently of

Management. The Lead Director is to: (i) serve as liaison between the non-executive Directors and the President and CEO and the Chairman; (ii) serve as a contact person to facilitate communications by AGT's employees and Shareholders with the non-executive Directors; (iii) in consultation with the President and CEO and the Chairman, establish the agenda and schedule for each Board meeting; (iv) consult with the other non-executive Directors for suggestions as to matters to be included on the agenda for any Board meeting; (v) consult with the President and CEO and the Chairman in recommending for approval to the full Board a schedule of dates for the regular meetings of the Board; (vi) advise the Chairman as to the sense of the independent Directors as to the quality, quantity and timeliness of the flow of information from AGT that is necessary for the Board to effectively and responsibly perform its duties; (vii) potentially direct that specific material be provided to Directors; (viii) develop, with input from the other independent Directors, the agenda for, and serve as chair of, the executive sessions of the independent Directors; (ix) ensure that the independent Directors meet regularly; (x) following each meeting of the independent Directors, discuss with the President and CEO and the Chairman, to the extent appropriate, matters addressed in or arising from the executive session; (xi) together with the Compensation Committee and the Board, evaluate the performances of the President and CEO and Chairman annually and meet with the President and CEO and the Chairman to discuss such evaluations; (xii) review and address Directors conflict of interest issues as they arise; (xiii) serve as chair of the Nominations Committee; and (xiv) undertake such additional responsibilities as may be determined from time to time by the independent Directors.

In addition, 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 three committees, the Audit Committee, the Compensation Committee and the Nominations 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 current Directors hold directorships with other reporting issuers.

Board Attendance

During the 2015 financial year, the Board held five meetings; the Audit Committee held three meetings, the Compensation Committee held one meeting and the Nominations Committee held two meetings, in each case, in addition to matters that were approved by written resolutions. All meetings of the Board, the Audit Committee, the Compensation Committee and the Nominations Committee during this period were attended by all members.

Board Mandate

The Board has adopted a board mandate, the text of which is attached as Schedule "A" to this Circular.

Position Descriptions

The Board has developed written position descriptions for the Chairman, the Lead Director and the chair of each of the Audit Committee, the Compensation Committee and the Nominations Committee. The Board has also established a written charter for each of the Board, the Audit Committee, the

Compensation Committee and the Nominations Committee, which sets out their respective duties and responsibilities.

The Board has developed and maintains a written position description for the President and CEO (within the context of the requirements imposed by the *Business Corporations Act* (Ontario) and AGT's by-laws), which includes the limits on Management's responsibilities.

Orientation and Continuing Education

The Board is responsible for establishing formal orientation, development and education programs and materials for new Directors. New Directors 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 business conduct and ethics (the "Code"). A copy of the Code is publicly available under AGT's profile on SEDAR or on AGT's website at www.agtfoods.com or by request to the Director, Corporate Affairs and Investor Relations.

AGT monitors compliance with the Code through reports of Management to the Board and requires that all Directors, Officers and designated employees provide an annual certification of compliance with the Code. Directors are required to notify Management 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 Nominations Committee identifies and nominates for approval of the Board, candidates to fill Board vacancies as and when they arise after giving full consideration of the current structure, size and composition of the Board, taking into account the challenges and opportunities facing AGT and what skills and expertise are needed on the Board in the future. The Nominations Committee is composed entirely of independent Directors: Mr. Rosen, Mr. Gardner and Mr. Franklin and is chaired by the Lead Director. The Nominations Committee has responsibility for: (i) regularly reviewing the structure, size and composition required of the Board; (ii) succession planning for Directors and Officers; (iii) the identification and nomination of Board candidates for approval of the Board; (iv) evaluating the balance of skills, knowledge and experience on the Board; (v) reviewing the leadership needs of AGT; (vi) reviewing annually the time required from non-executive Directors; and (vii) assessing whether the non-executive Directors are spending enough time to fulfil their duties. In addition, the Nominations Committee reviews and makes recommendations with respect to: (i) succession plans for Officers and non-executive Directors; (ii) suitable candidates for the role of

Lead Director; (iii) membership of the Audit and Compensation Committees in consultation with the chairs of those committees; (iv) the re-appointment of any non-executive Directors; (v) any matters relating to the continuation in office of any Directors; and (vi) the appointment of any Directors to executive or other office.

The Nominations Committee meets on an as-needed basis, with at least two meetings per year. In 2015, the Nominations Committee met on two occasions.

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 stated 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 event 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 Compensation 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 2015, the Compensation Committee met on one occasion. 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 early 2014, 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 Discussion and Analysis – Compensation Comparator Report". Mercers has not provided any services to AGT, or to its affiliated

or subsidiary entities, or to any of its Directors or Officers, 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.

Mercers was paid fees for preparing and presenting its reports to the Compensation Committee in 2014. For the two most recently completed financial years, Mercers was paid the following fees:

YEAR	EXECUTIVE COMPENSATION RELATED FEES	ALL OTHER FEES
2015	-	-
2014	\$40,461	-

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, Compensation and Nominations Committees takes into consideration the charters of such Committees.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted director term limits or other mechanisms of Board renewal because:

- (a) AGT has found that having long standing Directors does not negatively impact Board effectiveness, and instead contributes to boardroom dynamics such that AGT has for many years had a consistently high performing Board;
- (b) the imposition of director term limits on a board implicitly discounts the value of experience and continuity amongst Directors and runs the risk of excluding experienced and potentially valuable Directors as a result of an arbitrary determination;
- (c) it is important to retain Directors who hold significant investments in AGT such that their interests are aligned with the interests of Shareholders;
- (d) it is important to ensure that Directors with significant and unique business experience in AGT's industry be retained;
- (e) Directors with the level of understanding of AGT's business, history and culture acquired through long service on the Board provide additional value; and
- (f) term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into AGT and its operations and thereby may provide an increasing contribution to the Board as a whole.

Consideration of Gender in Director Nominations and Executive Appointments

As at the date hereof, there are no women on the Board and one of AGT's Officers is female, representing 25% of AGT's Officers.

AGT has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and AGT does not have written policies regarding the identification and nomination of female director candidates for election to the Board. The Nominations Committee does not specifically consider the level of representation of women on the Board when seeking candidates for nomination and AGT does not specifically consider the level of representation of women in executive officer positions when making executive officer appointments.

In considering individuals as potential Directors, the Nominations Committee is focused solely on finding the most qualified persons available, regardless of gender, with skills and experience that will complement the Board and assist it in providing strong stewardship for AGT. When considering individuals for senior management positions, AGT is similarly focused on seeking the most qualified individuals, regardless of gender, with skills and experience that will be of greatest benefit to AGT. This approach is believed to be in best interests of AGT and its stakeholders.

DIRECTORS AND OFFICERS INSURANCE

Insurance for Directors and Officers was renewed on October 30, 2015. The amount of the annual premium paid by AGT was US\$95,809; no amount was payable by the Directors or Officers in respect of such insurance. The insurance policy is subject to a US\$20,000,000 limit, both per claim and in the aggregate. A US\$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, 2015, 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 fixed 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. Financial information is provided in AGT's comparative financial statements and MD&A for the financial year ended December 31, 2015, which is posted on AGT's website, www.agtfoods.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 11th day of May, 2016.

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "*Murad Al-Katib*"

Murad Al-Katib
Director, President and Chief Executive Officer

**SCHEDULE “A”
BOARD MANDATE**

MANDATE OF THE BOARD OF DIRECTORS AGT FOOD AND INGREDIENTS INC.

1.0 Introduction

The board of directors (the “**Board**”) of AGT Food and Ingredients Inc. (“**AGT**”) is elected by the shareholders of AGT (the “**Shareholders**”) and is responsible for the stewardship of AGT. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

2.0 Composition

The Board will be comprised of a majority of independent directors. The definition of independence is as provided by applicable law and stock exchange listing standards. No director will be considered independent unless the director has no “material relationship” (as such term is defined in National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators) with AGT, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with AGT.

The same person may hold the offices of Chairman of the Board (the “**Chairman**”) and Chief Executive Officer (the “**CEO**”) of AGT or the offices may be held by different people. If held by two persons, the Chairman may be a member of the management team of AGT (“**Management**”) or may be a person who is not an officer or employee of AGT. Where the Chairman is not independent, the independent directors will select one of their members to be appointed lead director of the Board for such term as the independent directors may determine.

To help ensure that the Board functions independently of Management, the independent directors will hold regularly scheduled meetings, including meetings that follow Board meetings, at which members of Management are not present. In addition, the Board currently has three committees: the Audit Committee, the Compensation Committee and the Nominations Committee, each of which is composed entirely of independent directors.

The Board may, from time to time, engage consultants or members of Management that are not directors of AGT and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of directors and a corporate secretary (the “**Corporate Secretary**”), appointed by the Board, may attend meetings of the Board.

3.0 Operation

The role of the Board is to represent the Shareholders, enhance and maximize shareholder value and conduct the business and affairs of AGT ethically and in accordance with the highest standards of corporate governance. The Board operates by delegating certain of its authorities to Management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs, including selecting the Chairman, nominating candidates for election to the Board, constituting committees of the full Board and determining director compensation. Subject to the articles of incorporation and the *Business Corporations Act* (Ontario), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

The full Board considers all major decisions of AGT, except that certain analysis and work of the Board will be performed by standing committees empowered to act on behalf of the Board. In

addition to the Audit Committee, the Compensation Committee and the Nominations Committee, the Board has the authority to appoint other standing committees to steward certain other matters (each, a “**Committee**”). Each Committee must have a charter that has been approved by the Board.

Each Committee shall operate according to terms of reference or a charter approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the terms of reference of each Committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chairman shall annually propose the leadership and membership of each Committee. In preparing recommendations, the Chairman will take into account the preferences, skills and experience of each director. Committee chairs and members are appointed by the Board at the first Board meeting after the annual meeting of the Shareholders or as needed to fill vacancies during the year.

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of AGT’s affairs and in light of opportunities or risks which AGT faces. Directors are expected to attend all Board and Committee meetings, although it is understood that conflicts may occasionally arise that prevent a director from attending a meeting. Attendance at meetings in person is preferred, but attendance by teleconference is permitted. In addition, separate, regularly scheduled meetings of the independent directors of the Board will be held at which members of Management are not present.

In advance of each regular Board and Committee meeting and, to the extent feasible, each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each director. It is expected that each director will review presentation materials in advance of a meeting.

The Chairman presides at all meetings of the Board and the Shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary. The CEO, if he or she is not a director, shall be available to attend all meetings of the Board or the Committees upon invitation by the Board or any such Committee. Management, and such other staff as appropriate to provide information to the Board, shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meeting. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any director upon request to the CEO.

4.0 Responsibilities

The Board will delegate to the CEO and Management authority over the day-to-day management of the business and affairs of AGT. This delegation of authority may be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

The Board is responsible under law to supervise the management of the business and affairs of AGT. In broad terms, the stewardship of AGT involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

5.0 Specific Duties

Without limiting the foregoing, the Board shall have the following duties and responsibilities:

(1) Legal Requirements

- (a) the Board has the oversight responsibility for meeting AGT's legal requirements and for approving and maintaining AGT's documents and records;
- (b) the Board has the statutory responsibility to:
 - (i) manage the business and affairs of AGT;
 - (ii) act honestly and in good faith with a view to the best interests of AGT;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (Ontario) and the regulations thereto, AGT's articles of incorporation and other relevant legislation and regulations.
- (c) the Board has the statutory responsibility for considering the following matters as a full Board, which in law may not be delegated to Management or a Committee:
 - (i) any submission to the Shareholders of a question or matter requiring the approval of the Shareholders;
 - (ii) the filing of a vacancy among the directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by AGT;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of AGT from AGT or from any other person, or procuring or agreeing to procure purchases for any such shares;
 - (vii) the approval of management information circulars and proxy statements;
 - (viii) the approval of any take-over bid circular or director's circular; and
 - (ix) the approval of financial statements of AGT.

(2) Strategic Planning Process and Risk Management

The Board will adopt a strategic planning process to establish objectives and goals for AGT's business and will review, approve and modify, as appropriate, the strategies proposed by

Management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of AGT's business and affairs.

The Board, in conjunction with Management, shall be responsible to identify the principal risks of AGT's business and oversee Management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. It is the responsibility of Management to ensure that the Board and the Committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are through the execution of the duties of the Committees and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of Management.

(3) *Appointment, Training and Monitoring Senior Management*

The Board has the responsibility to:

- (a) establish a description of the responsibilities of the CEO and other members of Management;
- (b) appoint the CEO, monitor and assess the CEO's performance and determine the CEO's compensation;
- (c) provide advice and counsel in the execution of the CEO's duties;
- (d) approve the appointment and remuneration of the other members of Management; and
- (e) establish provisions for the training and development of members of Management and for the orderly succession of Management.

(4) *Reporting and Communication*

The Board has the responsibility to:

- (a) ensure compliance with AGT's reporting obligations, including that the financial performance of AGT is properly reported to the Shareholders, other security holders and regulators on a timely and regular basis;
- (b) recommend to the Shareholders a firm of chartered accountants to be appointed as auditors;
- (c) ensure that the financial results of AGT are reported fairly and in accordance with generally accepted accounting principles;
- (d) ensure the timely reporting of any change in the business, operations or capital of AGT that would reasonably be expected to have a significant effect on the market price or value of the common shares;
- (e) establish a process for direct communications with the Shareholders and stakeholders through appropriate directors;

- (f) ensure that a policy is in place to enable AGT to communicate effectively with the Shareholders and the public generally; and
- (g) report annually to the shareholders on its stewardship of the affairs of AGT for the preceding year.

(5) *Monitoring and Acting*

The Board has the responsibility to:

- (a) establish policies and processes for AGT to operate at all times within applicable laws and regulations to the highest ethical and moral standards;
- (b) ensure that Management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which AGT is operated;
- (c) ensure that Management establishes appropriate programs and policies for the health and safety of AGT's employees in the workplace;
- (d) monitor AGT's progress towards its goals and objectives and revise and alter its direction through Management in response to changing circumstances;
- (e) take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for AGT;
- (f) approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by Management from established strategy, capital and operating budget or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to AGT; and
- (g) implement internal control and information systems and monitor the effectiveness of same so as to allow the Board to conclude that Management is changing its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of Management is the paramount control mechanism.

(6) *Governance*

The Board has the responsibility to:

- (a) develop a position description for the Chairman and such other position descriptions as the Board deems appropriate; and
- (b) facilitate the continuity, effectiveness and independence of the Board by, among other things:
 - (i) appointing from amongst the directors each Committee;

- (ii) defining the mandate, including both responsibilities and delegated authorities, of each Committee;
- (iii) establishing a system to enable any director to engage an outside advisor at the expense of AGT;
- (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chairman, the Board as a whole, each director, each Committee and its chair;
- (v) reviewing annually the composition of the Board and the Committees and assessing director performances on an ongoing basis, and proposing new members to the Board; and
- (vi) reviewing annually the adequacy and form of the compensation of the directors.

6.0 New Director Orientation and Continuing Education

New directors will be briefed on their responsibilities by counsel to AGT and are introduced to the business of AGT through meetings with the Chairman, the chair of each Committee and senior employees. New directors will also conduct tours of the business operations to ensure that they have a clear understanding of such business operations. New directors will receive an orientation binder containing relevant historical material to assist them in learning about AGT, including written information about the duties and obligations of directors and the business and operations of AGT, documents from recent Board meetings and opportunities for meetings and discussions with Management and other directors.

The directors may participate in continuing education activities, as the need may arise, with respect to the business of AGT as well as with respect to legislative changes relevant to AGT. In addition, the Board will receive relevant articles and reports regarding AGT's particular business, strategy and governance.

7.0 Conflicts of Interest

- (a) directors have a duty to act honestly and in good faith with a view to the best interests of AGT and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances;
- (b) each director serves in his or her personal capacity and not as an employee, agent or representative of any other corporation, organization or institution, even if the director is employed by a shareholder or any other entity which does business with AGT. In providing direction to AGT, directors acknowledge that the wellbeing of AGT is their sole concern. Any director must not be affected in his or her deliberations and decision making by any relationship with any outside person or party, including any specific shareholder no matter which one and no matter what the relationship between the director and that shareholder. Directors shall not allow personal interests to conflict with their duties to AGT and shall avoid and refrain from involvement in situations of conflicts of interest;

- (c) a director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that director's duty to AGT;
- (d) a director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with AGT;
- (e) the disclosures contemplated in paragraph (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee. If the perception of a possible conflict arises at another time, then the disclosure shall occur by email to the other directors immediately upon realization of the conflict situation and then confirmed at the first Board and/or Committee meeting after the director becomes aware of the potential conflict of interest that is attended by the conflicted director;
- (f) a director's disclosure to the Board or a Committee shall contain the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting;
- (g) a director with a conflict of interest, or who may be perceived as being in a conflict of interest with respect to AGT, shall abstain from discussion and voting by the Board or any Committee on any motion to recommend or approve the subject matter of such conflict unless the matter relates primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered;
- (h) without limiting the generality of "conflict of interest", it shall be deemed a conflict of interest if a director, a director's relative or a member of the director's household is involved, has a director or indirect financial interest in, or obligations to, or a party to a proposed or existing contract or transaction with AGT;
- (i) directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others;
- (j) any director shall not use or provide to AGT any information known by the director through a relationship with a third party that the director is not legally able to use or provide; and
- (k) directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

8.0 Corporate Policies

The Board will adopt and periodically review policies and procedures designed to ensure that AGT, the directors, officers and employees comply with all applicable laws, rules and regulations and conduct AGT's business ethically and with honesty and integrity.

9.0 Mandate Review

This Mandate shall be reviewed and approved by the Board each year after the annual meeting of the Shareholders.

10.0 General

The Board may perform any other activities consistent with this mandate, AGT's articles of incorporation and any governing laws of AGT.

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of AGT or other liability whatsoever.

Dated: March 17, 2016

Approved by: Board of Directors

SCHEDULE “B”
OPTION PLAN RESOLUTION

BE IT RESOLVED THAT:

1. AGT Food and Ingredients Inc. (“**AGT**”) is authorized to continue granting options under the Stock Option Plan, 2010 (the “**Option Plan**”) until June 15, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought;
2. All unallocated options granted under the Option Plan are approved until June 15, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. Any director or officer of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director or officer may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “C”
ESPP RESOLUTION**

BE IT RESOLVED THAT:

1. AGT Food and Ingredients Inc. (“**AGT**”) is authorized to continue granting common shares in the capital of AGT under the employee share purchase plan (the “**ESPP**”) until June 15, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought;
2. All unallocated rights and other entitlements granted under the ESPP are approved until June 15, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. Any director or officer of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director or officer may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “D”
RIGHTS PLAN RESOLUTION**

BE IT RESOLVED THAT:

1. The Shareholder Rights Plan Agreement (the “**Rights Plan**”) attached as Schedule “E” to the Management Information Circular of AGT Food and Ingredients (“**AGT**”) dated May 11, 2016 and the issue of Rights (as defined therein) thereunder be and are hereby adopted, ratified and confirmed;
2. The making on or prior to the date hereof of any revisions to the Rights Plan as may be required by any stock exchange or by professional commentators on shareholder rights plans to conform the Rights Plan to versions of shareholder rights plans prevalent for public reporting issuers in Canada, as may be approved by any director or officer of AGT, is hereby authorized and approved; and
3. Any director or officer of AGT is authorized and directed, for an on behalf of AGT, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director or officer may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

**SCHEDULE “E”
RIGHTS PLAN**

AGT FOOD AND INGREDIENTS INC.

and

TMX EQUITY TRANSFER AND TRUST COMPANY

as Rights Agent

SHAREHOLDER RIGHTS PLAN AGREEMENT

Effective May 11, 2016

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SCHEDULE 2.2(3) AGT FOOD AND INGREDIENTS INC. – FORMS OF RIGHTS CERTIFICATE, ELECTION TO EXERCISE, AND ASSIGNMENT

SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS SHAREHOLDERS RIGHTS PLAN AGREEMENT dated effective May 11, 2016 between **AGT FOOD AND INGREDIENTS INC.**, a corporation existing under the laws of Ontario (the “**Corporation**”), and **TMX EQUITY TRANSFER AND TRUST COMPANY**, a trust company existing under the laws of Canada, as rights agent (the “**Rights Agent**”, which term shall include any successor Rights Agent hereunder).

WITNESSES that:

WHEREAS the Board of Directors (as hereinafter defined) has determined that it is advisable and in the best interests of the Corporation to adopt and maintain a shareholder rights plan to encourage the fair treatment of shareholders in connection with any Take-over Bid (as hereinafter defined);

AND WHEREAS in order to implement the adoption of the shareholder rights plan, the Board of Directors has authorized the issuance of one Right (as hereinafter defined):

- (i) effective at the Record Time (as hereinafter defined) in respect of each Common Share (as hereinafter defined) outstanding at the Record Time; and
- (ii) in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined);

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation has appointed the Rights Agent to act on behalf of the Corporation in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein.

NOW THEREFORE in consideration of the premises and respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Certain Definitions.

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) “**Acquiring Person**” means any Person who is at any time the Beneficial Owner of twenty percent (20%) or more of the outstanding Voting Shares of the

Corporation; provided, however, that the term “**Acquiring Person**” shall not include:

- (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes an Acquiring Person as a result of one or any combination of: (A) Corporate Acquisitions, (B) Permitted Bid Acquisitions, (C) Corporate Distributions, (D) Exempt Acquisitions, or (E) Convertible Security Acquisitions; provided, however, that if a Person becomes an Acquiring Person by reason of one or more or any combination of the operation of a Corporate Acquisition, Permitted Bid Acquisition, Corporate Distribution, Exempt Acquisition or Convertible Security Acquisition and, after such Corporate Acquisition, Permitted Bid Acquisition, Corporate Distribution, Exempt Acquisition or Convertible Security Acquisition, becomes the Beneficial Owner of an additional one percent (1%) or more of the outstanding Voting Shares of the Corporation other than pursuant to Corporate Acquisitions, Permitted Bid Acquisitions, Corporate Distributions, Exempt Acquisitions or Convertible Security Acquisitions, then as of the date of such acquisition, such Person shall become an Acquiring Person;
 - (iii) for a period of ten (10) days after the Disqualification Date, any Person who becomes the Beneficial Owner of twenty percent (20%) or more of the outstanding Voting Shares of the Corporation as a result of such Person becoming disqualified from relying on Section 1.1(e)(3) solely because such Person makes or proposes to make a Take-over Bid in respect of any securities of the Corporation either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person. For the purposes of this definition, “**Disqualification Date**” means the first date of public announcement of facts indicating that any Person is making or intends to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person (which, for the purposes of this definition, will include, without limitation, a report asserting such facts filed pursuant to National Instrument 62-103—*The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*); and
 - (iv) an underwriter or member of a banking or selling group that acquires Voting Shares from the Corporation in connection with a distribution of securities (including, for greater certainty, by way of private placement of such securities) to the public.
- (b) “**Affiliate**” when used to indicate a relationship with a specified Person, means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.

- (c) **"Agreement"** means this Shareholder Rights Plan Agreement, as it may be amended or amended and restated from time to time in accordance with its terms.
- (d) **"Associate"** when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same home as such specified Person, or any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other Person who has the same home as such specified Person.
- (e) A Person will be deemed the **"Beneficial Owner"**, and to have **"Beneficial Ownership"** of, and to **"Beneficially Own"**:
 - (i) any securities of which such Person or any Affiliate or Associate of such Person is the owner in law or equity;
 - (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the conversion, exchange or exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding (whether or not in writing), in each case if such right is exercisable immediately or within a period of sixty (60) days thereafter whether or not on condition or the happening of any contingency (other than (i) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities, (ii) pursuant to a pledge of securities in the ordinary course of business, or (iii) if a subscription agreement is conditional on the approval of holders of Voting Shares by a majority of votes cast or in writing by a majority of holders of Voting Shares, the sixty (60) day period referred to above will not commence until after such shareholder approval has been obtained);
 - (iii) any securities which are subject to a lock-up agreement (other than a Permitted Lock-Up Agreement as set forth below) to tender or deposit them into any Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other person acting jointly or in concert with such Person; and
 - (iv) any securities that are Beneficially Owned within the meaning of Section 1.1(e)(i), (ii) or (iii) by any other Person with whom such Person is acting jointly or in concert with respect to the Corporation or any of its securities;

provided, however, that a Person will not be deemed the **"Beneficial Owner"**, or to have **"Beneficial Ownership"** of, or to **"Beneficially Own"**, any security as a result of the existence of any one or more of the following circumstances:

- (1) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other Person acting jointly or in concert with such Person, unless such deposited or tendered security has been taken up or paid for, whichever first occurs;
- (2) by reason of the holder of such security having agreed to deposit or tender such security to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(e)(iv) pursuant to a Permitted Lock-Up Agreement, but only until such time as the deposited or tendered security has been taken up or paid for, whichever first occurs;
- (3) such Person or any Affiliate or Associate of such Person or any other Person acting jointly or in concert with such Person, holds such security; provided that (i) the ordinary business of any such Person (the "**Fund Manager**") includes the management of mutual funds or investment funds for others (which others may include or be limited to one or more employee benefit plans or pension plans) and/or includes the acquisition or holding of securities for a non-discretionary account of a Client (as defined below) by a dealer or broker registered under applicable securities laws to the extent required, and such security is held by the Fund Manager in the ordinary course of such business in the performance of such Fund Manager's duties for the account of any other Person (a "**Client**"), (ii) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable law and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estate of any such deceased or incompetent Person (each an "**Estate Account**") or for such other accounts (each an "**Other Account**"), (iii) the Person (the "**Statutory Body**") is an independent Person established by statute for purposes that include, and the ordinary business or activity of such person includes, the management of investment funds for employee benefit plans, pension plans, insurance plans of various public bodies and the Statutory Body holds such security for the purposes of its activities as such, (iv) the ordinary business of any such Person includes acting as an agent of the Crown in the management of public assets (the "**Crown Agent**"), or (v) the Person is the administrator or the trustee of one or more pension funds or plans (each a "**Pension Fund**") registered under the laws of Canada or any province thereof or the United States or any state thereof (the "**Independent Person**"), or is a Pension Fund and holds such securities for the purposes of its activities as an Independent Person or as a Pension Fund,

provided, however, that in any of the foregoing cases the Fund Manager, the Trust Company, the Statutory Body, the Crown Agent, the

Independent Person or the Pension Fund does not make or announce a current intention to make a Take-over Bid alone or by acting jointly or in concert with any other Person (other than pursuant to a distribution by the Corporation, or by means of ordinary market transactions (including prearranged trades entered in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over the counter market);

- (4) such Person is a Client of or has an account with the same Fund Manager as another Person on whose account the Fund Manager holds such security, or such Person is an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security, or such Person is a Pension Fund with the same Independent Person as another Pension Fund;
- (5) such Person is a Client of or has an account with a Fund Manager and such security is owned at law or in equity by the Fund Manager, or such Person is an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company, or such Person is a Pension Fund and such security is owned at law or in equity by the Independent Person; or
- (6) such Person is a registered holder of securities as a result of carrying on the business of, or acting as a nominee of, a securities depository.

For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person will be and be deemed to be the product of one hundred (100) and a fraction of which the numerator is the number of Voting Shares Beneficially Owned by such Person and the denominator is the number of outstanding Voting Shares. Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares will be deemed to be issued and outstanding for the purpose of calculating the percentage of Voting Shares Beneficially Owned by such Person.

- (f) **“Board of Directors”** means, at any time, the board of directors of the Corporation.
- (g) **“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario.
- (h) **“Client”** has the meaning ascribed to it in Section 1.1(e)(3).
- (i) **“close of business”** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto, Ontario (or, after the Separation Time, the office of the Rights Agent in the City of Toronto, Ontario) becomes closed to the public.

- (j) **“Common Shares”** means, when used with reference to the Corporation, the common shares in the capital of the Corporation.
- (k) **“Competing Bid”** means a Take-over Bid that:
 - (i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid;
 - (ii) satisfies all the components of the definition of a Permitted Bid other than the requirements set out in Section 1.1(rr)(ii)(A); and
 - (iii) contains, and the take up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date that is no earlier than the date that is no earlier than the minimum number of days such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Bid.
- (l) a Person is **“controlled”** by another Person or two or more other Persons acting jointly or in concert if:
 - (i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than fifty percent (50%) of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
 - (ii) in the case of a Person which is not a body corporate, more than fifty percent (50%) of the voting interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons;and **“controls”**, **“controlling”** and **“under common control with”** will be interpreted accordingly.
- (m) **“Convertible Security”** means at any time:
 - (i) any right (other than the Rights) regardless of whether such right constitutes a security; and
 - (ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;in each case pursuant to which the holder thereof may acquire Voting Shares or other securities which are convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or

exercisable after a specified period and whether or not on condition or the happening of any contingency).

- (n) **“Convertible Security Acquisition”** means the acquisition of Voting Shares upon the exercise, conversion or exchange of Convertible Securities received by a Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Corporate Distribution.
- (o) **“Corporate Acquisition”** means an acquisition by the Corporation or a Subsidiary of the Corporation or the redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially Owned by any Person.
- (p) **“Corporate Distribution”** means an acquisition as a result of:
 - (i) a stock dividend or a stock split or other event pursuant to which a Person receives or acquires Voting Shares or Convertible Securities on substantially the same pro rata basis as all other holders of Voting Shares of the same class; or
 - (ii) any other event pursuant to which all holders of Voting Shares are entitled to receive Voting Shares or Convertible Securities on a pro rata basis, including, without limiting the generality of the foregoing, pursuant to the receipt or exercise of rights issued by the Corporation and distributed to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities of the Corporation, provided that such rights are acquired directly from the Corporation and not from any other Person and provided further that the Person in question does not thereby acquire a greater percentage of Voting Shares, or Convertible Securities representing the right to acquire Voting Shares of such class, than the percentage of Voting Shares of the class Beneficially Owned immediately prior to such acquisition.
- (q) **“Corporation”** means AGT Food and Ingredients Inc.
- (r) **“Crown Agent”** has the meaning ascribed to it in Section 1.1(e)(3).
- (s) **“Disposition Date”** has the meaning ascribed to it in Section 5.1(4).
- (t) **“Disqualification Date”** has the meaning ascribed to it in Section 1.1(a)(iii).
- (u) **“Effective Date”** has the meaning ascribed to it in Section 5.13(1).
- (v) **“Election to Exercise”** has the meaning ascribed to it in Section 2.2(4).
- (w) **“equivalent common shares”** has the meaning ascribed to it in Section 2.3(b).
- (x) **“Estate Account”** has the meaning ascribed to it in Section 1.1(e)(3).

- (y) **“Exempt Acquisition”** means an acquisition of Beneficial Ownership in Voting Shares by a Person at any time on or after the Effective Date:
- (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Sections 5.1(2), (3), (4) or (5);
 - (ii) which was made on or prior to the Record Time;
 - (iii) which was made pursuant to a dividend reinvestment plan of the Corporation or other similar share purchase plan made available by the Corporation to the holders of Voting Shares generally;
 - (iv) pursuant to a distribution to the public by the Corporation of Voting Shares or Convertible Securities made pursuant to a prospectus provided that the Person in question does not thereby acquire a greater percentage of Voting Shares or Convertible Securities representing the right to acquire Voting Shares than the percentage of Voting Shares such Person Beneficially Owned immediately prior to such acquisition; or
 - (v) pursuant to or in connection with an issuance and sale by the Corporation of Voting Shares or Convertible Securities by way of a private placement by the Corporation, provided that (A) all necessary stock exchange approvals for such private placement have been obtained and such private placement complies with the terms and conditions of such approvals, and (B) the purchaser does not become the Beneficial Owner of a number of Voting Shares that is more than twenty-five percent (25%) of the Voting Shares issued and outstanding immediately prior to the private placement (and in making this determination, the securities to be issued to such purchaser on the private placement will be deemed to be held by such purchaser but will not be included in the aggregate number of outstanding Voting Shares immediately prior to the private placement).
- (z) **“Exercise Price”** means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be: (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.
- (aa) **“Expiration Time”** means the earlier of: (i) the Termination Time, and (ii) the close of business on the date this Agreement becomes void pursuant to the provisions of Section 5.13(2) or Section 5.13(3).
- (bb) **“Flip-in Event”** means a transaction in or pursuant to which any Person becomes an Acquiring Person.
- (cc) **“Fund Manager”** has the meaning ascribed to it in Section 1.1(e)(3).

- (dd) **"Independent Person"** has the meaning ascribed to it in Section 1.1(e)(3).
- (ee) **"Independent Shareholders"** means holders of Voting Shares, but does not include (i) any Acquiring Person or any Offeror (other than any Person who pursuant to Section 1.1(e)(3) is deemed not to Beneficially Own the Voting Shares), or any Affiliate or Associate of such Acquiring Person or such Offeror, or any Person acting jointly or in concert with such Acquiring Person or such Offeror, or (ii) any Person holding Voting Shares under any employee benefit plan, stock purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation (unless the beneficiaries of any such plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be deposited or tendered to a Take-over Bid, in which case such plan or trust will be considered an Independent Shareholder).
- (ff) **"Lock-Up Bid"** has the meaning ascribed to it in Section 1.1(tt).
- (gg) **"Locked-Up Person"** has the meaning ascribed to it in Section 1.1(tt).
- (hh) **"Market Price"** per security of any securities on any date of determination means the average of the daily closing prices per security of such securities (determined as described below) on each of the twenty (20) consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Day not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per security of any securities on any date shall be the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each security as reported by the Toronto Stock Exchange; provided, however, that if on any such date the securities are not traded on the Toronto Stock Exchange, the closing price per share of such securities on such date shall mean the fair value per security of such securities on such date as determined in good faith by the Board of Directors, after consultation with a nationally or internationally recognized investment dealer or investment banker. The Market Price shall be expressed in Canadian dollars.
- (ii) **"NI 62-104"** means National Instrument 62-104 - *Take-Over Bids and Issuer Bids*.
- (jj) **"Nominee"** has the meaning ascribed to it in Section 2.2(3).
- (kk) **"Notice"** has the meaning ascribed to it in Section 5.8.

(ll) “**OBCA**” means the *Business Corporations Act* (Ontario) and the regulations under it, and any comparable or successor laws or regulations.

(mm) “**Offer to Acquire**” includes:

- (i) an offer to purchase, a public announcement of an intention to make an offer to purchase, or a solicitation of an offer to sell; and
- (ii) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell will be deemed to be making an Offer to Acquire to the Person that made the offer to sell.

(nn) “**Offeror**” means a Person who has publicly announced and not withdrawn a current intention to make, or who makes and has outstanding, a Take-over Bid.

(oo) “**Offeror’s Securities**” means Voting Shares Beneficially Owned by an Offeror.

(pp) “**Other Account**” has the meaning ascribed to it in Section 1.1(e)(3).

(qq) “**Pension Fund**” has the meaning ascribed to it in Section 1.1(e)(3).

(rr) “**Permitted Bid**” means a Take-over Bid that is made by means of a take-over bid circular and which also complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Corporation, other than the Offeror;
- (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid:

(A) prior to the close of business on the date which is not less than one hundred and five (105) days following the date of the Take-over Bid or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and

(B) only if at such date more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;

- (iii) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period

of time described in Section 1.1(rr)(ii)(A) and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and

- (iv) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that in the event that the deposit condition referred to in Section 1.1(rr)(ii)(B) is satisfied and such Voting Shares are taken up by the Offeror, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than ten (10) days from the date of such public announcement.
- (ss) **“Permitted Bid Acquisition”** means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Bid.
- (tt) **“Permitted Lock-Up Agreement”** means an agreement between a Person and one or more holders (each a **“Locked-up Person”**) of Voting Shares or Convertible Securities (the terms of which are publicly disclosed and a copy of which is made available to the public (including the Corporation) not later than the date the Lock-up Bid (as defined below) is publicly announced or, if the agreement was entered into after the date of the Lock-up Bid, as soon as possible after it is entered into and in any event not later than the date following the date of such agreement), pursuant to which such Locked-up Persons agree to deposit or tender Voting Shares or Convertible Securities to a Take-over Bid (the **“Lock-up Bid”**) made by the Person or any of such Person’s Affiliates or Associates or any other Person referred to in Section 1.1(e)(iv) and where the agreement:
 - (i) (A) permits the Locked-up Person to withdraw Voting Shares or Convertible Securities in order to tender or deposit Voting Shares or Convertible Securities to another Take-over Bid (or terminate the agreement in order to support another transaction) that represents an offering price for each Voting Share or Convertible Security that exceeds, or provides a value for each Voting Share or Convertible Security that is greater than, the offering price or value represented by or proposed to be represented by the Lock-up Bid; or
 - (B) permits the Locked-up Person to withdraw Voting Shares or Convertible Securities in order to tender or deposit the Voting Shares or Convertible Securities to another Take-over Bid (or terminate the agreement in order to support another transaction) that represents an offering price for each Voting Share or Convertible Security that exceeds, or provides a value for each Voting Share or Convertible Security that is greater than, the offering price or value represented by or proposed to be represented by the Lock-up Bid by as much or more than a specified amount (the **“Specified Amount”**) and the Specified

Amount is not greater than seven percent (7%) of the offering price or value that is represented by the Lock-up Bid;

- (ii) permits the Locked-up Person to withdraw Voting Shares or Convertible Securities in order to tender or deposit the Voting Shares or Convertible Securities to another Take-over Bid (or terminate the agreement in order to support another transaction) if the number of Voting Shares to be purchased under the other Take-over Bid or transaction exceeds the number of Voting Shares offered to be purchased under the Lock-Up Bid by as much or more than a specified number of Voting Shares (the "**Specified Number of Shares**") and the Specified Number of Shares is not greater than seven percent (7%) of the number of Voting Shares offered to be purchased under the Lock-Up Bid, at an offering price for each Voting Share or Convertible Security that is not less, or provides a value for each Voting Share or Convertible Security that is not less than, the offering price or value represented by or proposed to be represented by the Lock-up Bid; and
- (iii) provides for no "break-up" fees, "top-up" fees, penalties, payments, expenses or other amounts that exceed in the aggregate the greater of: (A) the cash equivalent of two point five percent (2.5%) of the price or value payable under the Lock-up Bid to the Locked-up Person, and (B) fifty percent (50%) of the amount by which the price or value payable under another Take-over Bid or another transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid, to be payable, directly or indirectly, by such Locked-up Person pursuant to the agreement if any Locked-up Person fails to tender Voting Shares or Convertible Securities pursuant to such agreement or withdraws Voting Shares or Convertible Securities previously tendered pursuant to such agreement in order to tender such Voting Shares or Convertible Securities to another Take-over Bid or support another transaction;

and, for greater certainty, the agreement may contain a right of first refusal or require a period of delay to give the Offeror an opportunity to at least match a higher consideration in another Take-over Bid or transaction or contain any other similar limitation on a Locked-up Person's right to withdraw Voting Shares or Convertible Securities from the agreement, so long as any such limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares or Convertible Securities in sufficient time to tender to the other Take-over Bid or to support the other transaction.

- (uu) "**Person**" means any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, joint stock company, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association,

syndicate, joint venture or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar extended meaning.

- (vv) **"Privacy Laws"** has the meaning ascribed to it in Section 4.6.
- (ww) **"Record Time"** means the close of business (Toronto time) on May 11, 2016.
- (xx) **"Redemption Price"** has the meaning ascribed to it in Section 5.1(1).
- (yy) **"regular periodic cash dividends"** means cash dividends paid at regular intervals in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greatest of:
 - (i) two hundred percent (200%) of the aggregate amount of cash dividends declared payable by the Corporation on its Common Shares in its immediately preceding fiscal year; and
 - (ii) one hundred percent (100%) of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year.
- (zz) **"Right"** means a right to purchase Common Shares issued upon the terms and conditions described in this Agreement, including Section 2.2(1).
- (aaa) **"Rights Agent"** means TMX Equity Transfer and Trust Company.
- (bbb) **"Rights Agreement"** has the meaning ascribed to it in Section 2.1(1).
- (ccc) **"Rights Certificate"** has the meaning ascribed to it in Section 2.2(3).
- (ddd) **"Rights Register"** has the meaning ascribed to it in Section 2.6(1).
- (eee) **"Securities Act"** means the *Securities Act* (Ontario) and the regulations under it, and any comparable or successor laws or regulations.
- (fff) **"Separation Time"** means the close of business on the tenth (10th) Trading Day after the earliest of:
 - (i) the Share Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Bid); and
 - (iii) the date on which a Permitted Bid or Competing Bid ceases to qualify as such;

or, in each case, such later date as may be determined by the Board of Directors provided that, if any Take-over Bid referred to in Section 1.1(fff)(ii) or any Permitted Bid or Competing Bid referred to in Section 1.1(fff)(iii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid, Permitted Bid or Competing Bid, as the case may be, will be deemed, for the purposes of this Section 1.1(fff), never to have been made and provided further that if the Board of Directors determines pursuant to Sections 5.1(2), (3), (4) or (5) to waive the application of Section 3.1 to a Flip-in Event, the Separation Time in respect of such Flip-in Event will be deemed never to have occurred.

- (ggg) **"Share Acquisition Date"** means the first date of public announcement (which, for purposes of this definition, includes, without limitation, a report filed pursuant to National Instrument 62-103—*The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*) by the Corporation or an Offeror or Acquiring Person of facts indicating that a Person has become an Acquiring Person.
- (hhh) **"Share Registration"** means registered ownership of Common Shares as indicated in the register of registered holders of Common Shares maintained by the transfer agent of the Corporation, whether or not such registered ownership is evidenced by a share certificate.
- (iii) **"Specified Amount"** has the meaning ascribed to it in Section 1.1(tt).
- (jjj) **"Specified Number of Shares"** has the meaning ascribed to it in Section 1.1(tt).
- (kkk) **"Statutory Body"** has the meaning ascribed to it in Section 1.1(e)(3).
- (III) **"Subsidiary"** a Person will be deemed to be a Subsidiary of another Person if:
 - (i) it is controlled by:
 - (A) that other;
 - (B) that other and one or more Persons each of which is controlled by that other; or
 - (C) two or more corporations each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a corporation that is that other's Subsidiary.
- (mmm) **"Take-over Bid"** means an Offer to Acquire outstanding Voting Shares or securities convertible into or exchangeable for or carrying a right to purchase Voting Shares where the Voting Shares subject to the Offer to Acquire, together with the Voting Shares into which the securities subject to the Offer to Acquire are convertible, exchangeable or exercisable, and the Offeror's Securities,

constitute in the aggregate twenty percent (20%) or more of the outstanding Voting Shares at the date of the Offer to Acquire.

- (nnn) **“Termination Time”** means the time at which the right to exercise Rights terminates pursuant to Section 5.1(7).
- (ooo) **“Trading Day”**, when used with respect to any securities, shall mean a day on which the principal Canadian securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day.
- (ppp) **“Trust Company”** has the meaning ascribed to it in Section 1.1(e)(3).
- (qqq) **“Voting Shares”** means the Common Shares and any other shares in the capital of the Corporation entitled to vote generally in the election of all directors.

Section 1.2 Currency.

All references in this Agreement to dollars or to “\$” are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.3 Headings.

The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.

Section 1.4 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 1.5 Acting Jointly or in Concert.

For the purposes of this Agreement, a Person is acting jointly or in concert with every Person who is a party to an agreement, commitment or understanding, whether formal or informal and whether or not in writing, with the first Person or any Associate or Affiliate of the first Person to acquire or make an Offer to Acquire Voting Shares (other than customary agreements with and between underwriters or banking group members or selling group members with respect to a distribution of securities or to a pledge of securities in the ordinary course of business).

Section 1.6 Statutory References.

Unless the context otherwise requires or except as expressly provided in this Agreement, any reference in this Agreement to a specific part, section, clause or rule of any statute or regulation refers to the same as it may be amended, re-enacted or replaced or, if repealed without replacement, to the same as it is in effect on the date of this Agreement.

Section 1.7 Certain Phrases, etc.

Unless otherwise specified, the words "Article", "Section" and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement.

ARTICLE 2 THE RIGHTS

Section 2.1 Legend on Common Share Certificates.

- (1) Share Registrations representing Common Shares issued after the Record Time but prior to the close of business on the earlier of the Separation Time and the Expiration Time will evidence one Right for each Common Share represented by such Share Registration and, commencing as soon as reasonably practicable after the effective date of this Agreement, if such Share Registrations are evidenced by a share certificate, such certificate will have impressed on, printed on, written on or otherwise affixed to it, a legend in substantially the following form:

"Until the Separation Time (defined in the Rights Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement dated effective May 11, 2016, as amended and restated from time to time (the "**Rights Agreement**"), between AGT Food and Ingredients Inc. and TMX Equity Transfer and Trust Company, a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Rights Agreement, such rights may be redeemed, may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate."

- (2) Until the earlier of the Separation Time and the Expiration Time, Share Registrations with respect to Common Shares that are issued and outstanding at the Record Time will evidence one Right for each Common Share represented by such Share Registrations notwithstanding the absence of the foregoing legend on the share certificates, if any, evidencing such Share Registrations. Following the Separation Time, Rights will be evidenced by Rights Certificates issued pursuant to Section 2.2.

Section 2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights.

- (1) **Right to entitle holder to purchase one Common Share prior to adjustment.** Subject to adjustment as set forth in this Agreement and subject to Section 3.1(1), each Right will entitle the holder of the Right, from and after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price as at the Business Day immediately preceding the date of exercise of the Right, one Common Share (which price and number of Common Shares are subject to adjustment as set forth below and are subject to Section 3.1(1)). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries will be void.

- (2) **Rights not exercisable until Separation Time.** Until the Separation Time, (i) the Rights will not be exercisable and no Right may be exercised, and (ii) for administrative purposes each Right will be evidenced by the Share Registrations for the associated Common Shares registered in the names of the holders of such Common Shares (and if such Share Registrations are evidenced by a share certificate, such share certificate will also be deemed to be Rights Certificates) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Shares.
- (3) **Delivery of Rights Certificate and disclosure statement.** From and after the Separation Time and prior to the Expiration Time, (i) the Rights will be exercisable, and (ii) the registration and transfer of the Rights will be separate from, and independent of, the Common Shares. Promptly following the Separation Time, the Corporation shall prepare and the Rights Agent shall mail to each holder of record of Rights as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”)) at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (A) a certificate (a “**Rights Certificate**”) in substantially the form of Schedule 2.2(3) appropriately completed, representing the number of Rights held by such holder at the Separation Time, and having such marks of identification or designation and such legends, summaries or endorsements printed on it as the Corporation may deem appropriate and as are consistent with the provisions of this Agreement, or as may be required to comply with any law, rule, regulation or judicial or administrative order or with any rule or regulation made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (B) a disclosure statement describing the Rights, provided that the Rights Agent shall send a Nominee the materials provided for in (A) and (B) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first mentioned Person to furnish it with such information and documentation as the Corporation considers advisable.
- (4) **Exercise of Rights.** Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at the office of the Rights Agent in the City of Toronto or any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation) the Rights Certificate evidencing such Rights together with an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate duly completed and executed, accompanied by payment by certified cheque, banker’s draft or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the

Rights being exercised, all of the above to be received before the Expiration Time by the Rights Agent (at the office of the Rights Agent in the City of Toronto or any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation).

- (5) **Duties of Rights Agent upon receipt of Election to Exercise.** Upon receipt of a Rights Certificate, which is accompanied by (a) a completed and duly executed Election to Exercise, and (b) payment as set forth in Section 2.2(4) above, the Rights Agent (unless otherwise instructed by the Corporation if the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) shall promptly:
- (a) requisition from the transfer agent for the Common Shares certificates representing the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (b) when appropriate, requisition from the Corporation a cheque representing the amount of cash to be paid in lieu of issuing fractional Common Shares;
 - (c) after receipt of such certificates representing the number of Common Shares to be purchased, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such registered holder;
 - (d) when appropriate, after receipt, deliver the cheque representing such cash (less any amounts required to be withheld) to or to the order of the registered holder of the Rights Certificate; and
 - (e) tender to the Corporation all payments received on exercise of the Rights.
- (6) **Partial Exercise of Rights.** If the holder of any Rights exercises less than all of the Rights evidenced by such holder's Rights Certificate, the Rights Agent shall issue a new Rights Certificate evidencing the Rights remaining unexercised to such holder or to such holder's duly authorized assigns.
- (7) **Duties of the Corporation.** The Corporation:
- (a) shall take all such action as may be reasonably necessary and within its power to ensure that all Common Shares or other securities delivered upon the due exercise of Rights are, at the time of delivery of the certificates for such shares (for greater certainty, subject to payment of the Exercise Price), duly and validly authorized, executed, issued and delivered, and fully paid and non-assessable;
 - (b) shall take all such action as may be necessary and within its power to ensure compliance with the provisions of Section 3.1 including, without limitation but subject to Section 5.17, to comply with any applicable requirements of the OBCA, the Securities Act and any applicable comparable securities legislation of each of the provinces or territories of Canada and the rules and regulations thereunder,

or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares or other securities upon exercise of Rights;

- (c) shall use reasonable efforts to cause, from and after such time as the Rights become exercisable, all Common Shares issued upon exercise of Rights to be listed upon issuance on each stock exchange on which the Common Shares were traded prior to the Separation Time;
- (d) shall cause to be reserved and kept available out of its authorized and unissued Common Shares, the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
- (e) shall pay when due and payable any and all Canadian federal and provincial transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares or other securities in a name other than that of the registered holder of the Rights being transferred or exercised;
- (f) shall, after the Separation Time, except as permitted by Section 5.1 or 5.4, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights; and
- (g) may, in its discretion, in the case of holders of Rights resident outside Canada who exercise their Rights, pay them cash (or other property) in lieu of Common Shares, based on the approximate fair market value of the Common Shares as determined by the Board of Directors in good faith, and may differentiate among such Persons.

Section 2.3 Adjustments to Exercise Price; Number of Rights.

The Exercise Price, the number and kind of Common Shares or other securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3:

- (a) **Adjustment to Exercise Price upon changes to share capital.** If the Corporation at any time after the Record Time:
 - (i) declares or pays a dividend on the Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities), other than the issue of Common Shares or such exchangeable or convertible securities to

holders of Common Shares in lieu of but not in an amount which exceeds the value of regular periodic cash dividends;

- (ii) subdivides or changes the then outstanding Common Shares into a greater number of Common Shares;
- (iii) combines or changes the then outstanding Common Shares into a smaller number of Common Shares; or
- (iv) issues any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities) in respect of, in lieu of or in exchange for existing Common Shares, except as otherwise provided in this Section 2.3;

the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of Common Shares, or other securities, as the case may be, issuable on such date, will be proportionately adjusted so that the holder of any Right exercised after such time will be entitled to receive, upon payment of the Exercise Price then in effect, the aggregate number and kind of Common Shares or other securities, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the Common Share transfer books of the Corporation were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1, the adjustment provided for in this Section 2.3 will be in addition to and, will be made prior to, any adjustment required pursuant to Section 3.1.

- (b) **Adjustment to Exercise Price upon issue of rights, options and warrants.** If the Corporation at any time after the Record Time fixes a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within forty-five (45) calendar days after such record date) to subscribe for or purchase Common Shares (or shares having the same rights, privileges and preferences as Common Shares (“**equivalent common shares**”)) or securities convertible into or exchangeable for or carrying a right to purchase Common Shares or equivalent common shares at a price per Common Share or per equivalent common share (or having a conversion price or exchange price or exercise price per share, if a security convertible into or exchangeable for or carrying a right to purchase Common Shares or equivalent common shares) less than ninety percent (90%) of the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date will be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which will be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares and/or equivalent common shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable

securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights so to be offered) would purchase at such Market Price per Common Share, and the denominator of which will be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares and/or equivalent common shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities are initially convertible, exchangeable or exercisable). If such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration will be as determined in good faith by the Board of Directors, whose determination will be described in a certificate filed with the Rights Agent and will be binding on the Rights Agent and the holders of the Rights. Such adjustment will be made successively whenever such a record date is fixed and, if such rights or warrants are not so issued, the Exercise Price will be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

For purposes of this Agreement, the granting of the right to purchase Common Shares (or equivalent common shares) (whether from treasury shares or otherwise) pursuant to any dividend or interest reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit, stock option or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) will not be deemed to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in the case of any dividend or interest reinvestment plan, the right to purchase Common Shares (or equivalent common shares) is at a price per share of not less than ninety percent (90%) of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) **Adjustment to Exercise Price upon Corporate Distributions.** If the Corporation at any time after the Record Time fixes a record date for a distribution to all holders of Common Shares (including any such distribution made in connection with a merger, amalgamation, arrangement, plan, compromise or reorganization in which the Corporation is the continuing or successor corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend or a regular periodic cash dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), assets or subscription rights, options or warrants (excluding those referred to in Section 2.3(b) above), the Exercise Price to be in effect after such record date will be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which will be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination will be described in a statement filed with the Rights Agent) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights, options or warrants applicable to a Common Share and the denominator of which will be

such Market Price per Common Share. Such adjustments will be made successively whenever such a record date is fixed, and if such distribution is not so made, the Exercise Price will be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

- (d) **De minimis threshold for adjustment to Exercise Price.** Notwithstanding anything in this Agreement to the contrary, no adjustment in the Exercise Price will be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made will be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 2.3 will be made to the nearest cent or to the nearest one-hundredth of a Common Share or other share, as the case may be. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by this Section 2.3 will be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such adjustment, or (ii) the Expiration Time.
- (e) **Corporation may provide for alternate means of adjustment.** Subject to the prior consent of the holders of Voting Shares or Rights obtained as set forth in Section 5.4(2) or (3) of this Agreement, as applicable, if the Corporation at any time after the Record Time issues any shares (other than Common Shares), or rights or warrants to subscribe for or purchase any shares, or securities convertible into or exchangeable for any such shares, in a transaction referred to in Section 2.3(a)(i) or (iv) or Section 2.3(b) or (c) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Sections 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Corporation will be entitled to determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(a), (b) and (c) above, such adjustments, rather than the adjustments contemplated by Sections 2.3(a), (b) and (c) above, will be made. The Corporation and the Rights Agent shall amend this Agreement as appropriate to provide for such adjustments.
- (f) **Adjustment to Rights exercisable into shares other than Common Shares.** If as a result of an adjustment made pursuant to Section 3.1 of this Agreement, the holder of any Right exercised after such adjustment becomes entitled to receive any shares other than Common Shares, then after such adjustment the number of such other shares so receivable upon exercise of any Right and the Exercise Price of the Right will be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Sections 2.3(a), (b), (c), (d), (e), (g), (h), (i), (j), (k) and (l), above and below, as the case may be, and the provisions of this Agreement with respect to the Common Shares will apply on like terms to any such other shares.

- (g) **Rights to evidence right to purchase Common Shares at adjusted Exercise Price.** Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price under this Agreement will evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time under this Agreement upon exercise of such Right, all subject to further adjustment as provided in this Agreement.
- (h) **Adjustment to number of Common Shares purchasable upon adjustment to Exercise Price.** Unless the Corporation exercises its election as provided in Section 2.3(i) below, upon each adjustment of the Exercise Price as a result of the calculations made in Section 2.3(b) or (c) above, each Right outstanding immediately prior to the making of such adjustment will, after such adjustment, evidence the right to purchase, at the adjusted Exercise Price, that number of Common Shares (calculated to the nearest one ten-thousandth) obtained by (A) multiplying (x) the number of shares purchasable upon exercise of a Right immediately prior to this adjustment by (y) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price, and (B) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.
- (i) **Election to adjust number of Rights upon adjustment to Exercise Price.** The Corporation is entitled to elect on or after the date of any adjustment of the Exercise Price to adjust the number of Rights, in lieu of any adjustment in the number of Common Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights will be exercisable for the number of Common Shares for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights will become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Exercise Price in effect immediately prior to adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Corporation shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day after such date but, if Rights Certificates have been issued, must be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 2.3(i), the Corporation shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 5.5, the additional Rights to which such holders are entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender of such Rights Certificates, new Rights Certificates evidencing all the Rights to which such holders are entitled after such adjustment. Rights Certificates so to be distributed will be issued, executed and

countersigned in the manner provided for in this Agreement and may bear, at the option of the Corporation, the adjusted Exercise Price and will be registered in the names of the holders of record of Rights Certificates on the record date for the adjustment specified in the public announcement.

- (j) **Rights Certificates may contain Exercise Price before adjustment.** Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates issued before or after such adjustment or change may continue to express the Exercise Price per share and the number of shares which were expressed in the initial Rights Certificates issued under this Agreement.
- (k) **Corporation may in certain cases defer issues of securities.** In any case in which this Section 2.3 requires that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.
- (l) **Corporation has discretion to reduce Exercise Price for tax reasons.** Notwithstanding anything in this Section 2.3 to the contrary, the Corporation is entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment, the Board of Directors determines to be advisable in order that any (i) consolidation or subdivision of the Common Shares, (ii) issuance of any Common Shares at less than the Market Price, (iii) issuance of securities convertible into or exchangeable for Common Shares, (iv) stock dividends, or (v) issuance of rights, options or warrants, referred to in this Section 2.3 made by the Corporation to holders of its Common Shares, is not taxable to such shareholders.
- (m) **Certificate of Adjustment.** Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
 - (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - (ii) promptly file with the Rights Agent and with the transfer agent for the Common Shares a copy of such certificate and mail a brief summary of the certificate to each holder of the Rights.

Section 2.4 Date on Which Exercise is Effective.

Each person in whose name any certificate for Common Shares is issued upon the exercise of Rights, will for all purposes be deemed to have become the holder of record of the Common Shares represented by such certificate on, and such certificate will be dated, the date on which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder under this Agreement) was made; provided, however, that if the date of such surrender and payment is a date on which the Common Share transfer books of the Corporation are closed, such person will be deemed to have become the record holder of such shares on, and such certificate will be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

Section 2.5 Execution, Authentication, Delivery and Dating of Rights Certificates.

- (1) Any two officers of the Corporation shall execute the Rights Certificates on behalf of the Corporation. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation will bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.
- (2) Promptly after the Corporation learns of the Separation Time, the Corporation shall notify the Rights Agent of such Separation Time and shall deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and a disclosure statement as described in Section 2.2(3). The Rights Agent shall manually countersign and send such Rights Certificates and disclosure statement to the holders of the Rights pursuant to Section 2.2(3). No Rights Certificate is valid for any purpose until countersigned by the Rights Agent as described above.
- (3) Each Rights Certificate will be dated the date of countersignature of such certificate.

Section 2.6 Registration, Registration of Transfer and Exchange.

- (1) The Corporation shall cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the registration and transfer of Rights. The Corporation hereby appoints the Rights Agent “**Rights Registrar**” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as provided in this Agreement. If the Rights Agent ceases to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate and subject to the provisions of Section 2.6(3) below and the other provisions of this Agreement, the Corporation shall execute and the Rights Agent shall countersign, register and deliver, in the name of the holder or the designated transferee or transferees as required

pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (2) All Rights issued upon any registration of transfer or exchange of Rights Certificates will be the valid obligations of the Corporation, and such Rights will be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (3) Every Rights Certificate surrendered for registration of transfer or exchange must be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation and/or the Rights Agent, as the case may be, duly executed by the registered holder of the Rights Certificate or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation or the Rights Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such issuance and the Corporation may require payment of a sum sufficient to cover any other expenses (including the fees and expenses of the Rights Agent) in connection with such issuance.

Section 2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates.

- (1) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange for such mutilated Rights Certificate a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (2) If the Corporation and the Rights Agent receive, prior to the Expiration Time, (a) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate, and (b) such indemnity and surety bond as may be required by them to save each of them and any of their agents harmless then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (3) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation or the Rights Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such issuance and the Corporation may require payment of a sum sufficient to cover any other expenses (including the fees and expenses of the Rights Agent) in connection with such issuance.
- (4) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate will evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate is at any time enforceable by anyone, and the holder of such new Rights

Certificate will be entitled to all the benefits of this Agreement equally and proportionately with any and all other holders of Rights duly issued by the Corporation.

Section 2.8 Persons Deemed Owners.

Prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the Share Registration, satisfactory evidence of the associated Share Registration) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent are entitled to deem and treat the person in whose name a Rights Certificate is registered (or, prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the Share Registration, the person in whose name the Share Registration is made) as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights means the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

Section 2.9 Delivery and Cancellation of Rights Certificates.

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange must, if surrendered to any person other than the Rights Agent, be delivered to the Rights Agent and, in any case, the Rights Agent shall promptly cancel such Rights Certificates. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered under this Agreement which the Corporation may have acquired in any manner whatsoever, and the Rights Agent shall promptly cancel all Rights Certificates so delivered. No Rights Certificate will be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9 except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates.

Section 2.10 Agreement of Rights Holders.

Every holder of Rights, by accepting the Rights, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended, amended and restated, or supplemented from time to time in accordance with the terms of this Agreement, in respect of all Rights held;
- (b) that prior to the Separation Time each Right will be transferable only together with, and will be transferred by a transfer of, the Share Registration (including the related Common Share certificate, if any) representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided in this Agreement;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the

Share Registration, satisfactory evidence of the associated Share Registration) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent is entitled to deem and treat the person in whose name the Rights Certificate is registered (or prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the Share Registration, the person in whose name the Share Registration is made) as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or any associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent will be affected by any notice to the contrary;

- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares upon exercise of Rights;
- (f) that, in accordance with Section 5.4, without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith this Agreement may be supplemented, amended or amended and restated from time to time pursuant to and as provided in this Agreement; and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent will have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation, or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

Section 2.11 Rights Certificate Holder not Deemed a Shareholder.

No holder, as such, of any Rights or Rights Certificate is entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented by the Rights Certificate, nor shall anything contained in this Agreement or in any Rights Certificate be construed or deemed to confer upon the holder of any Right or Rights Certificate, as such, any of the rights, titles, benefits or privileges of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to shareholders of the Corporation at any shareholder meeting, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares or securities of the Corporation except as expressly provided in this Agreement, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates are duly exercised in accordance with this Agreement.

ARTICLE 3
ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

Section 3.1 Flip-in Event.

- (1) Subject to Section 3.1(2) below, and Sections 5.1(2), (3), (4) or (5), if prior to the Expiration Time a Flip-in Event occurs, the Corporation shall take such action as may be necessary to ensure and provide within ten (10) Trading Days of the Share Acquisition Date, or such longer period as may be required to satisfy all applicable requirements of the Securities Act, and the securities legislation of each other province or territory of Canada that, except as provided below, each Right will thereafter constitute the right to purchase from the Corporation upon exercise of such Right in accordance with the terms of this Agreement that number of Common Shares of the Corporation, having an aggregate Market Price on the date of the occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such Right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if after such date of occurrence an event of a type analogous to any of the events described in Section 2.3 occurs with respect to such Common Shares).
- (2) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are Beneficially Owned by (a) an Acquiring Person, or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such Acquiring Person, or any Affiliate or Associate of such Person so acting jointly or in concert, or (b) a transferee or other successor in title of Rights, directly or indirectly, of an Acquiring Person (or of any Affiliate or Associate of an Acquiring Person) or of any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person (or of any Affiliate or Associate of such Person so acting jointly or in concert) who becomes a transferee or successor in title concurrently with or subsequent to the Acquiring Person becoming such, will become null and void without any further action, and any holder of such Rights (including transferees or successors in title) will not have any rights whatsoever to exercise such Rights under any provision of this Agreement and will not have thereafter any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not void under this Section 3.1(2) will be deemed to be an Acquiring Person for the purposes of this Section 3.1(2) and such Rights will become null and void.
- (3) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either paragraphs (a) or (b) of Section 3.1(2) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, must contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an

Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby will become void in the circumstances specified in Section 3.1 of the Shareholder Rights Plan Agreement.”

provided that the Rights Agent is not required to ascertain the existence of facts that would require the imposition of such legend but is required to impose such legend only if instructed to do so, in writing, by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Section 3.1(3) will have no effect on the provisions of Section 3.1.

- (4) From and after the Separation Time, the Corporation shall do all such acts and things as are necessary and within its power to ensure compliance with the provisions of this Section 3.1 including, without limitation, all such acts and things as may be required to satisfy the requirements of the OBCA, the Securities Act, the securities laws or comparable legislation of each of the provinces and territories of Canada, and any other applicable laws in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

ARTICLE 4

THE RIGHTS AGENT

Section 4.1 General.

- (1) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation in accordance with the terms and conditions of this Agreement, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents as it may deem necessary or desirable, subject to the prior approval of the Rights Agent, which the Rights Agent shall not unreasonably withhold. If the Corporation appoints one or more co-Rights Agents, the respective duties of the Rights Agents and co-Rights Agents will be as the Corporation may determine, with the approval of the Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it under this Agreement or otherwise agreed to with the Corporation in writing and, from time to time, on demand of the Rights Agent, its reasonable expenses (including counsel fees and disbursements of legal counsel, to the extent they are reasonable) incurred in the administration and execution of this Agreement and the exercise and performance of its duties under this Agreement, including the reasonable fees and disbursements of any expert retained by the Rights Agent. The Corporation also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of gross negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors or employees) for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement,

including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent. In no event will the Rights Agent be liable for special, indirect, consequential or punitive loss or damages of any kind whatsoever (including, but not limited to, lost profits), even if the Rights Agent has been advised of the possibility of such damages. Any liability of the Rights Agent will be limited in the aggregate to an amount equal to the annual fee paid by the Corporation pursuant to this Agreement. None of the provisions contained in this Agreement shall require the Rights Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

- (2) The Rights Agent will be protected from and will incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Share Registration confirmed in writing by the transfer agent of the Corporation, any certificate for Common Shares or any Rights Certificate or certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document reasonably believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (3) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

Section 4.2 Merger or Amalgamation or Change of Name of Rights Agent.

- (1) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4. If at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and if at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

- (2) If at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and if at that time any of the Rights Certificates have not been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

Section 4.3 Duties of Rights Agent.

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, to all of which the Corporation and the holders of Rights Certificates, by their acceptance of such terms and conditions, will be bound:

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation and, in any event, must be a reputable legal firm) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted to be taken by it in good faith and in accordance with such opinion. Subject to the prior written consent of the Corporation, which consent will not be unreasonably withheld, the Rights Agent may also consult with such other experts as the Rights Agent considers necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at the expense of the Corporation) and the Rights Agent is entitled to act and rely in good faith on the advice of any such expert to the extent that such expert is not an employee, officer or director of the Rights Agent.
- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action under this Agreement, such fact or matter (unless other evidence in respect of such matter is specifically prescribed in this Agreement) may be deemed to be conclusively proven and established by a certificate signed by a person the Rights Agent reasonably believes to be an officer of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) Nothing in this Agreement shall be construed to relieve the Rights Agent of liability for its own gross negligence, bad faith or wilful misconduct and that of its officers, directors and employees.
- (d) The Rights Agent is not liable for or by reason of any of the statements of fact or recitals contained in this Agreement, or in the certificates for Common Shares, if any, or the Rights Certificates (except its countersignature of such certificates) or required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.

- (e) The Rights Agent, in its capacity as Rights Agent under this Agreement, is not under any responsibility in respect of the validity of this Agreement or the execution and delivery of this Agreement (except the due authorization, execution and delivery of this Agreement by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature of such certificate); nor is it responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor is it responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(2)) or any adjustment required under the provisions of Section 2.3 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor is it by any act under this Agreement deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered or fully paid and non-assessable.
- (f) Each of the Corporation and the Rights Agent shall perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments and assurances as may reasonably be required to carry out or perform this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties under this Agreement from any person the Rights Agent reasonably believes to be an officer of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it is not liable for any action taken or suffered by it in good faith in accordance with instructions of any such person. Instructions to the Rights Agent must, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing (including by e-mail) and, where not in writing, such instructions must be confirmed in writing (including by e-mail) as soon as reasonably possible after the giving of such instructions.
- (h) The Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become financially interested in any transaction in which the Corporation may be interested or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing in this Agreement precludes the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.
- (i) The Rights Agent may execute and exercise any of the rights or powers vested in it by this Agreement or perform any duty under this Agreement either itself or,

with the prior written consent of the Corporation, by or through its attorneys or agents. The Rights Agent is not answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided the Rights Agent obtained the prior written consent of the Corporation and exercised reasonable care in the selection and continued employment of such attorneys or agents.

Section 4.4 Change of Rights Agent.

- (1) The Rights Agent may resign and be discharged from its duties under this Agreement upon at least sixty (60) days' Notice (or such lesser Notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Voting Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.8 (all of which will be at the expense of the Corporation). The Corporation may remove the Rights Agent upon thirty (30) days' Notice in writing, mailed to the Rights Agent and to each transfer agent of the Voting Shares by registered or certified mail and to the holders of the Rights in accordance with Section 5.8.
- (2) If the Rights Agent resigns or is removed or otherwise becomes incapable of acting, the Corporation shall appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of sixty (60) days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder shall, with such Notice, submit such holder's Rights Certificate for inspection by the Corporation), then the Rights Agent or the holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, must be a corporation incorporated under the laws of Canada or a province of Canada authorized to carry on the business of a trust company in Canada. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed. The predecessor Rights Agent, upon receiving from the Corporation payment in full of all amounts outstanding under this Agreement, shall deliver and transfer to the successor Rights Agent any property at the time held by it under this Agreement, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation shall file Notice of such appointment in writing with the predecessor Rights Agent and each transfer agent of the Voting Shares, and mail a Notice of such appointment in writing to the holders of the Rights. The Corporation alone shall bear the cost of giving any Notice required under this Section 4.4. Failure to give any Notice provided for in this Section 4.4 however, or any defect in such Notice, will not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 4.5 Compliance with Money Laundering Legislation.

The Rights Agent retains the right not to act and will not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to breach any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, if the Rights Agent reasonably determines at any time that its acting under this Agreement has resulted in it breaching any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it may resign on ten (10) days' written Notice to the Corporation, provided: (a) that the Rights Agent's written Notice must describe the circumstances of such breach; and (b) that if such circumstances are rectified to the Rights Agent's satisfaction within such ten (10) day period, then such resignation will not be effective. If the Rights Agent resigns, the Corporation shall use its reasonable efforts to appoint a successor to the Rights Agent and the provisions of Section 4.4(2) will apply *mutatis mutandis*. Following the resignation of the Rights Agent and until the appointment of a successor Rights Agent, the Corporation may act in the capacity of Rights Agent under this Agreement.

Section 4.6 Privacy Provision.

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent shall use commercially reasonable efforts to ensure that its services under this Agreement comply with Privacy Laws.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Redemption and Waiver.

- (1) Subject to the prior consent of the holders of Voting Shares or Rights obtained as set forth in Section 5.4(2) or Section 5.4(3), as applicable, the Board of Directors acting in good faith may, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right (rounded down to the nearest cent for each registered holder of Rights) appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type described in Section 2.3 occurs (such redemption price being referred to in this Agreement as the "**Redemption Price**").
- (2) Subject to the prior consent of the holders of Voting Shares obtained as set forth in Section 5.4(2), the Board of Directors may, at any time prior to the occurrence of a Flip-in

Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all registered holders of Voting Shares and otherwise than in the circumstances set forth in Section 5.1(4), waive the application of Section 3.1 to such Flip-in Event. In such event, the Board of Directors shall extend the Separation Time to a date at least ten (10) Business Days subsequent to the meeting of shareholders called to approve such waiver.

- (3) The Board of Directors acting in good faith, may, prior to the occurrence of a Flip-in Event, and upon prior written Notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a take-over bid circular to all registered holders of Voting Shares; provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Section 5.1(3), the Board of Directors will be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a take-over bid circular to all registered holders of Voting Shares prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted pursuant to this Section 5.1(3).
- (4) The Board of Directors may, upon prior written Notice delivered to the Rights Agent, waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Share Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, if the Board of Directors grants such a waiver, such Share Acquisition Date will be deemed not to have occurred. Any such waiver pursuant to this Section 5.1(4) must be on the condition that such Person, within thirty (30) days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date will be deemed to be the date of occurrence of a further Share Acquisition Date and Section 3.1 will apply to such Share Acquisition Date.
- (5) The Board of Directors may, prior to the close of business on the tenth (10th) Trading Day following a Share Acquisition Date or such later Trading Day as they may from time to time determine, upon prior written Notice delivered to the Rights Agent, waive the application of Section 3.1 to the related Flip-in Event, provided that the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or has entered into a contractual arrangement with the Corporation or other undertaking, in a form acceptable to the Board of Directors, to do so within fifteen (15) days of the date on which such contractual arrangement or other undertaking is entered into or such earlier or later date as the Board of Directors may determine) such that at the time the waiver becomes effective pursuant to this Section 5.1(5) such Person is no longer an Acquiring

Person. If such a waiver becomes effective prior to the Separation Time, for the purposes of this Agreement, such Flip-in Event will be deemed not to have occurred.

- (6) Where a Person acquires pursuant to a Permitted Bid, a Competing Bid or an Exempt Acquisition under Section 5.1(3) above, outstanding Voting Shares, then the Corporation shall immediately upon the consummation of such acquisition redeem the Rights at the Redemption Price.
- (7) If the Corporation is obligated under Section 5.1(6) above to redeem the Rights, or if the Board of Directors elects under Section 5.1(1) above or Section 5.1(9) below to redeem the Rights, the right to exercise the Rights will, upon such redemption, without further action and without Notice, terminate and each Right will after redemption be null and void and the only right after redemption of the holders of Rights will be to receive the Redemption Price.
- (8) Within ten (10) days after the Corporation is obligated under Section 5.1(6) above to redeem the Rights, or the Board of Directors elects under Section 5.1(1) above or Section 5.1(9) below to redeem the Rights, the Corporation shall give Notice of redemption to the holders of the then outstanding Rights by mailing such Notice to all such holders at their last address as they appear upon the Rights Register or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any Notice which is mailed in the manner provided in this Agreement will be deemed given, whether or not the holder receives the Notice. Each such Notice of redemption must state the method by which the payment of the Redemption Price will be made. The Corporation shall not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 and other than in connection with the purchase of Common Shares prior to the Separation Time.
- (9) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- (10) Notwithstanding the Rights being redeemed pursuant to Section 5.1(9) above, all the provisions of this Agreement will continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time will be deemed not to have occurred and the Rights will remain attached to outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.

Section 5.2 Expiration.

No person will have any rights whatsoever pursuant to or arising out of this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(1).

Section 5.3 Issuance of New Rights Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

Section 5.4 Supplements and Amendments.

- (1) The Corporation may, prior to the Corporation's annual and special meeting of shareholders currently scheduled for June 15, 2016, or any adjournment of such meeting, called to, in part, approve this Agreement, supplement, amend or amend and restate this Agreement without the approval of any holder of Rights or Voting Shares. Thereafter, the Corporation may from time to time supplement, amend or amend and restate this Agreement without the approval of any holders of Rights or Voting Shares to correct any clerical or typographical error or to maintain the validity of the Agreement as a result of a change in, or in the interpretation of, any applicable legislation, regulations or rules, including the rules of any applicable stock exchange.

Notwithstanding anything in this Section 5.4 to the contrary, the Corporation shall not supplement, amend, or amend and restate any provision of Article 4 except with the written concurrence of the Rights Agent to such supplement, amendment, or amendment and restatement.

- (2) Subject to Section 5.4(1) above, the Corporation may, with the prior consent of the holders of the Voting Shares obtained as set forth below, at any time prior to the Separation Time amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent will be deemed to have been given if provided by the holders of Voting Shares at a meeting of the holders of Voting Shares. The Corporation shall call and hold such meeting in compliance with applicable laws and regulatory requirements and the requirements in the articles and by-laws of the Corporation. Subject to compliance with any requirements imposed by the foregoing, consent will be deemed to have been given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all holders of Voting Shares, voting together as a single class (other than any holder of Voting Shares who is an Offeror pursuant to a Take-over Bid that is not a Permitted Bid or Competing Bid with respect to all Voting Shares Beneficially Owned by such Person), represented in person or by proxy at the meeting.
- (3) The Corporation may, with the prior consent of the holders of Rights, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally).
- (4) Any consent or approval of the holders of Rights will be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders

of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect of such action. For the purposes of this Agreement, each outstanding Right (other than Rights which are void pursuant to the provisions of this Agreement) will be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting will be those, as nearly as may be, which are provided in the Corporation's by-laws and the OBCA with respect to a meeting of shareholders of the Corporation.

- (5) The Corporation shall provide the Rights Agent with Notice in writing of any such amendment, variation or deletion to this Agreement as referred to in this Section 5.4 within five (5) days of effecting such amendment, variation or deletion.
- (6) If the Corporation makes any supplements, amendments, or amendments and restatements to this Agreement pursuant to Section 5.4(1) above which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation or regulations or rules, the Corporation shall:
 - (a) if made before the Separation Time, submit such supplement, amendment, or amendment and restatement to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Section 5.4(2) above, confirm or reject such supplement, amendment, or amendment and restatement; and
 - (b) if made after the Separation Time, submit such supplement, amendment, or amendment and restatement to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(4) above, confirm or reject such supplement, amendment, or amendment and restatement.

A supplement, amendment, or amendment and restatement of the nature referred to in this Section 5.4(6) will be effective from the date of the resolution of the Board of Directors adopting such supplement, amendment, or amendment and restatement until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such supplement, amendment, or amendment and restatement is confirmed, it continues in effect in the form so confirmed. If such supplement, amendment, or amendment and restatement is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such supplement, amendment, or amendment and restatement will cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend, vary or delete any provision of this Agreement to substantially the same effect will be effective until confirmed by the shareholders or holders of Rights, as the case may be.

Section 5.5 Fractional Rights and Fractional Common Shares.

- (1) The Corporation is not required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. Any such fractional Right will be null and void and the Corporation has no obligation or liability in respect of such fractional Rights.
- (2) The Corporation is not required to issue fractions of Common Shares or other securities upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares or other securities. In lieu of issuing fractional Common Shares or other securities, the Corporation shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as provided in this Agreement, an amount in cash equal to the same fraction of the Market Price of one Common Share. The Rights Agent has no obligation to make any payments in lieu of fractional Common Shares unless the Corporation has provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(5).

Section 5.6 Rights of Action.

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective registered holders of the Rights. Any registered holder of any Rights, without the consent of the Rights Agent or of the registered holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person (including, for greater certainty, an Acquiring Person) subject to, this Agreement.

Section 5.7 Notice of Proposed Actions.

If the Corporation proposes after the Separation Time and prior to the Expiration Time to effect the liquidation, dissolution or winding-up of the Corporation or the sale of all or substantially all of the Corporation's assets, then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.8, a Notice of such proposed action specifying the date on which such liquidation, dissolution, winding up, or sale is to take place. The Corporation shall give such Notice at least twenty (20) Business Days prior to the date of taking of such proposed action.

Section 5.8 Notices.

- (1) Any notice, direction, demand or other communication (a "Notice") given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or facsimile (but not by email) and addressed:

- (a) to the Corporation at:

AGT Food and Ingredients Inc.
6200 E. Primrose Green Dr.
Regina, SK S4V 3L7

Attention: President and Chief Executive Officer
Facsimile: (306) 525-4463

- (b) to the Rights Agent at:

TMX Equity Transfer and Trust Company
Suite 300, 200 University Avenue
Toronto, ON M5H 4H1

Attention: Vice President, Trust Services
Facsimile: (416) 361-0470

A Notice is deemed to be given and received (a) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (b) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (c) if sent by mail, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

- (2) Any Notice given or made by the Corporation or the Rights Agent to or on the holder of any Rights will be sufficiently given or made if mailed by first class mail or sent by personal delivery or courier, addressed to such holder at the address of such holder as it appears upon the Rights Register or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any Notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the Notice.

Section 5.9 Successors.

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent bind and enure to the benefit of their respective successors, legal representatives and permitted assigns.

Section 5.10 Benefits of this Agreement.

Nothing in this Agreement will be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement. This Agreement is for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

Section 5.11 Governing Law.

This Agreement and each Right issued under it will be deemed to be a contract made under the laws of the province of Ontario and for all purposes will be governed by, interpreted and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

Section 5.12 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 5.13 Effective Date.

- (1) This Agreement is effective and in full force and effect in accordance with its terms and conditions as of and from the date hereof (the “**Effective Date**”). This Agreement and all outstanding Rights terminate and are void and of no further force and effect on and from the Expiration Time.
- (2) If this Agreement is not confirmed by a majority of the votes cast by holders of Voting Shares (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) who vote in respect of confirmation of this Agreement at the Corporation’s annual and special meeting of shareholders currently scheduled for June 15, 2016, or any adjournment of such meeting, then this Agreement and all outstanding Rights will terminate and will be void and of no further force and effect from the close of business (Toronto time) on the date of such shareholder meeting or adjournment of such meeting (if adjourned).
- (3) This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by holders of Voting Shares (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) at the annual shareholder meeting of the Corporation to be held in 2019 and at every third annual shareholder meeting of the Corporation thereafter. If the Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, the Agreement and all outstanding Rights will terminate and be void and of no further force and effect on and from the date of termination of such annual shareholder meeting; provided that termination will not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Sections 5.1(2), (3), (4) or (5)), prior to

the date upon which this Agreement would otherwise terminate pursuant to this Section 5.13(3).

Section 5.14 Determinations and Actions by the Board of Directors.

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, in relation to or in connection with this Agreement, will not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

Section 5.15 Rights of Board, Corporation and Offeror.

Without limiting the generality of the foregoing, nothing in this Agreement will be construed to suggest or imply that the Board of Directors is not entitled to recommend that holders of Voting Shares reject or accept any Take-over Bid or take any other action (including, without limitation, the commencement, prosecution, defence or settlement of any litigation and the submission of additional or alternative Take-over Bids or other proposals to the holders of Voting Shares) with respect to any Take-over Bid or otherwise that the Board of Directors believes is necessary or appropriate in the exercise of its fiduciary duties.

Section 5.16 Regulatory Approvals.

This Agreement is subject in any jurisdiction to the receipt of any required prior or subsequent approval or consent from any governmental or regulatory authority in such jurisdiction including any securities regulatory authority or stock exchange.

Section 5.17 Declaration as to Non-Canadian and Non-U.S. Holders.

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada and the United States, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure such compliance. In no event will the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction, other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes, or (until such notice is given as required by law) without advance notice to any regulatory or self-regulatory body.

Section 5.18 Time of the Essence.

Time is of the essence in this Agreement.

Section 5.19 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

AGT FOOD AND INGREDIENTS INC.

By: (signed) "Murad Al-Katib"
Authorized Signing Officer

By: (signed) "Lori Ireland"
Authorized Signing Officer

**TMX EQUITY TRANSFER AND TRUST
COMPANY**

By: (signed) "Shelley Martin"
Authorized Signing Officer

By: (signed) "Kathy Thorpe"
Authorized Signing Officer

SCHEDULE 2.2(3)

FORM OF RIGHTS CERTIFICATE

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(2) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON, ANY PERSON ACTING JOINTLY OR IN CONCERT WITH AN ACQUIRING PERSON OR THEIR RESPECTIVE ASSOCIATES AND AFFILIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) AND THEIR RESPECTIVE TRANSFEREES WILL BECOME VOID WITHOUT ANY FURTHER ACTION.

RIGHTS CERTIFICATE

This certifies that _____ or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement dated May 11, 2016, as amended and restated from time to time (the “**Rights Agreement**”), between AGT Food and Ingredients Inc., a corporation existing under the laws of Ontario (the “**Corporation**”), and TMX Equity Transfer and Trust Company, a trust company existing under the laws of Canada, as rights agent (the “**Rights Agent**”, which term shall include any successor Rights Agent under the Rights Agreement) to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Time (as such term is defined in the Rights Agreement) (or such earlier expiration time as is provided in the Rights Agreement), one fully paid and non-assessable common share of the Corporation (a “**Common Share**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed and payment of the Exercise Price by certified cheque, bank draft or money order payable to the Corporation and submitted to the Rights Agent at its principal offices in the City of Toronto. The Exercise Price will initially be \$● (Canadian) per Right and will be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, each Right evidenced by this Rights Certificate may entitle the registered holder thereof to purchase or receive assets, debt securities or other equity securities of the Corporation (or a combination thereof) all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are incorporated by reference in and made a part of this Rights Certificate. Reference is made to the Rights Agreement for a full description of the rights, limitations of rights, obligations, duties and immunities of the Rights Agent, the Corporation and the holders of the Rights. Copies of the Rights Agreement are on file at the registered head office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights entitling the holder to purchase a like aggregate number of Common Shares as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate is exercised in part, the registered holder will be entitled to receive, upon surrender of this Rights Certificate, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a redemption price of \$0.00001 per Right.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced by this Rights Certificate.

No holder of this Rights Certificate, as such, is entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities of the Corporation which may at any time be issuable upon the exercise of this Rights Certificate. Nothing contained in the Rights Agreement or in this Rights Certificate will be construed to confer upon the holder of this Rights Certificate any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders of the Corporation at any shareholder meeting, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders of the Corporation (except as expressly provided in the Rights Agreement), or to receive dividends, distributions or subscription rights, or otherwise until the Rights evidenced by this Rights Certificate are exercised as provided in the Rights Agreement.

This Rights Certificate is not valid or obligatory for any purpose until it has been manually countersigned by the Rights Agent.

[Signature page follows]

WITNESS the facsimile signature of the proper officers of the Corporation.

Dated ●

AGT FOOD AND INGREDIENTS INC.

By: _____
Authorized Signing Officer

**TMX EQUITY TRANSFER AND TRUST
COMPANY**

By: _____
Authorized Signing Officer

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: AGT FOOD AND INGREDIENTS INC.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares issuable upon the exercise of such Rights and requests that certificates for such Common Shares be issued to:

(NAME)

(ADDRESS)

(CITY AND STATE OR PROVINCE)

If such number of Rights is not all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights will be registered in the name of and delivered to:

(NAME)

(ADDRESS)

(CITY AND STATE OR PROVINCE)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER TAXPAYER NUMBER

Dated _____

Signature Guaranteed

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signature must be guaranteed by an – “Eligible Institution” i.e. a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Industry Regulatory Organization of Canada (IIROC), members of the National Association of Securities Dealers, or of banks and trust companies in the United States.

To be completed if true

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person, any Affiliate or Associate of such Acquiring Person or any Person acting jointly or in concert with the Acquiring Person, or with any Affiliate or Associate of the Acquiring Person, or any Affiliate or Associate of such Persons so acting jointly or in concert (each as defined in the Rights Agreement).

Signature

NOTICE

If the certification set forth in the Form of Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate of an Acquiring Person (each as defined in the Rights Agreement) and accordingly such Rights will be null and void.

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate)

FOR VALUE RECEIVED _____ hereby sells,

assigns and transfers to _____

(Please print name and address of transferee)

the Rights represented by this Rights Certificate, together with all right, title and interest in such Rights and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated _____

Signature Guaranteed

Signature

(Signature must correspond to name as written on the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signature must be guaranteed by an – “Eligible Institution” i.e., a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, Investment Industry Regulatory Organization of Canada (IIROC), members of the National Association of Securities Dealers, or banks and trust companies in the United States.

To be completed if true

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person, any Affiliate or Associate of such Acquiring Person or any Person acting jointly or in concert with the Acquiring Person, or with any Affiliate or Associate of the Acquiring Person, or any Affiliate or Associate of such Persons so acting jointly or in concert (each as defined in the Rights Agreement).

Signature

NOTICE

If the certification set forth in the Form of Assignment is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate of an Acquiring Person (each as defined in the Rights Agreement) and accordingly such Rights will be null and void.

