



**COMPENSATION AND HUMAN
RESOURCES COMMITTEE
CHARTER**

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AGT FOOD AND INGREDIENTS INC.

COMPENSATION AND HUMAN RESOURCES COMMITTEE

CHARTER

PART I

ESTABLISHMENT OF COMMITTEE

1. Purpose

The Compensation and Human Resources Committee (the "**Committee**") is established by the Board of Directors (the "**Board**") of AGT Food and Ingredients Inc. (the "**Corporation**") to assist the Board in fulfilling its responsibilities relating to matters of management resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Committee has responsibility for evaluating and making recommendations to the Board regarding:

- (a) compensation of the Corporation's executives and directors, the directors and officers of the Corporation's operating companies, and the compensation plans, policies and programs of the Corporation;
- (b) compensation risk management;
- (c) compensation practices to ensure that the Corporation can attract and develop management of the highest calibre;
- (d) succession plans for key personnel.

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

2. Composition of Committee

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

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

3. Appointment of Committee Members

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

PART II

COMMITTEE PROCEDURE

1. **Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board or the recommendation of the Committee and shall be filled by the Board if the Committee is fewer than three directors. The Board may remove and replace any member of the Committee at any time.

2. **Chair**

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

3. **Absence of Chair**

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

4. **Secretary of Committee**

The corporate secretary or such other person acceptable to the members shall act as secretary to the Committee.

5. **Regular Meetings**

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least three times per year. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and shall also at least annually meet separately with the Chief Executive Office (the "**CEO**"). Any member of the Committee may move the Committee in camera at any time during the course of a meeting, and a record of any decisions made in camera, shall be maintained by the Chair.

6. **Special Meetings**

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

7. **Attendance by other Members of the Board**

All members of the Board shall be entitled, but not required, to attend meetings of the Committee and to take part in discussions and considerations of the affairs of the Committee, provided that such members of the Board who are not members of the Committee shall not be counted when constituting a quorum, nor will they be entitled to vote on any matter before the Committee.

8. **Quorum and Voting**

A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum. All decisions of the Committee shall be made by (i) a resolution in writing signed by all of the members who would have been entitled to vote on that resolution at a meeting of the Committee, or (ii) a majority vote of the members of the Committee present at

the meeting, and in the event of an equality of votes, the Chair shall not be entitled to a second or casting vote.

9. **Notice of Meetings**

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

10. **Agenda**

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

11. **Delegation**

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

12. **Access**

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

13. **Attendance of Officers at a Meeting**

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

14. **Procedure, Records and Reporting**

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

15. **Outside Consultants or Advisors**

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

- (a) other services that the advisor provides to the Corporation;
- (b) fees paid by the Corporation to the advisor as a percentage of the advisor's total revenue;

- (c) the advisor's policies respecting conflicts of interest;
- (d) the advisor's business or personal relationships with the Corporations officers and members of the Committee; and
- (e) the advisor's ownership of shares of the Corporation.

PART III

MANDATE OF COMMITTEE

The Committee is directed and empowered by the Board to perform the following duties and responsibilities:

1. Compensation

- (a) **Compensation Philosophy.** Recommend to the Board, annually, the approval of a compensation philosophy for the officers of the Corporation and its subsidiaries and any other key employees of the Corporation and its subsidiaries identified by the CEO of the Corporation (collectively, the "**Designated Employees**") that balances the objectives of (i) attracting, developing and retaining highly competent officers, (ii) appropriately and fairly incentivizes and rewards strong performance by officers in both the short and long-term, and (iii) maintains the Corporation's compensation costs at a competitive level.
- (b) **Incentive Programs.** Recommend to the Board, annually, approval of the terms and conditions of all short and long-term incentive compensation programs (including equity-based plans) for Designated Employees (collectively, the "**Incentive Programs**").
- (c) **Benefits Programs.** Recommend to the Board, annually, and as required, approval of any significant benefits programs, including any material amendments thereto, provided by the Corporation and its subsidiaries to Designated Employees.
- (d) **Chief Executive Officer.** Recommend to the Board, annually, approval of the objectives to be used in assessing the performance of the CEO, evaluate the CEO's performance against those objectives, and recommend to the Board any adjustments to the CEO's salary and any awards to the CEO under the Incentive Programs.
- (e) **Designated Employees.** Review, annually, the CEO's evaluation of the Designated Employees, and recommend to the Board any adjustments to the salaries of the Designated Employees and any awards to the Designated Employees under the Incentive Programs.
- (f) **Considerations.** In discharging its duties and responsibilities hereunder, the Committee should consider, among other factors:
 - (i) the Corporation's performance on an absolute, and where appropriate comparators can be ascertained, on a relative basis;
 - (ii) whether the compensation reflects an appropriate balance between short and long-term incentives;
 - (iii) whether the compensation is sufficiently competitive to enable the Corporation and its subsidiaries to attract and retain the talent it requires;
 - (iv) whether the compensation enables the Corporation to maintain its costs at a competitive level; and

- (v) whether the Incentive Programs could reasonably be expected to create or constitute incentives for Designated Employees to engage in unethical behavior or take inappropriate or excessive risks, and whether the Corporation has in place internal controls which could reasonably be expected to prevent unethical behavior or the taking of inappropriate or excessive risks.

2. **Organization and Succession**

- (a) **Appointment and Removal of Officers.** Recommend to the Board, as required, the appointment and removal of officers of the Corporation, and any changes to the titles thereof.
- (b) **Development Plans.** Review with the CEO, annually, plans for the continued professional development of Designated Employees.
- (c) **Succession Plans.** Review with the CEO, annually, succession plans for his or her position and the positions that report directly to the CEO. In this connection, consider the objectives set out in the Corporations' diversity policy approved by the Board.

3. **Other Duties**

Without limiting any of the duties set out above, the Committee shall:

- (a) approve, as required, the terms of the Corporation's employee share purchase plan;
- (b) approve, as required, the Corporation's share ownership guidelines for executives and review, three times per year, compliance by designated executives with those guidelines;
- (c) approve the Committee's report and the statement of executive compensation that are included in the Corporation's annual proxy circular;
- (d) review this charter annually and provide any comments thereon to the Corporate Governance and Nominating Committee of the Board for consideration; and
- (e) perform such other duties as from time to time are assigned to the Committee by the Board.

4. **Non-Exhaustive List**

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