



**CORPORATE GOVERNANCE AND  
NOMINATING COMMITTEE**

**CHARTER**

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**AGT FOOD AND INGREDIENTS INC.**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

**CHARTER**

**PART I**

**ESTABLISHMENT OF COMMITTEE**

1. **Purpose**

The Corporate Governance and Nominating 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 by evaluating, developing, and making recommendations with respect to the process and structure used to supervise the business and affairs of the Corporation, with the objective of enhancing the Corporation’s performance and shareholder value. The corporate governance process and structure define the allocation of authority between the Board and management so as to achieve accountability to the Corporation’s shareholders and other stakeholders.

The Corporation shall make full and complete disclosure of its systems of corporate governance where appropriate in its disclosure documents.

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 on the recommendation of the Committee. 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 on the recommendation of the Committee, and shall be filled by the Board if the membership of the Committee is fewer than three directors. The Board may remove and replace any member of the Committee.

2. **Committee Chair**

The Board upon recommendation of the Committee shall appoint a Chair (the “**Chair**”) for the Committee. The Chair may be removed and replaced by the Board.

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. 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 Chief Executive Officer 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.

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

At the invitation of the Chair, one or more officers or employees of the Corporation 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 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 or any search firm to be used to identify director candidates, 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 Corporation's 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. **Corporate Governance**

- (a) **Mandate, Charters and Position Descriptions.** Recommend to the Board, annually, approval of a mandate for the Board, charters for each of the Board's standing committees, and position descriptions for the chairs of the Board and each of its committees and for the Chief Executive Officer.
- (b) **Code of Ethics and Business Conduct.** Recommend to the Board, annually, approval of a code of ethics and business conduct for the Corporation and its subsidiaries (the "Code").
- (c) **Compliance Monitoring.** Annually, (i) recommend to the Board a process for obtaining confirmations from each director and officer of the Corporation and its subsidiaries of their compliance with the Code, and (ii) review the systems and processes employed by the Corporation to identify material violations of the Code and applicable law, and to identify and manage potential conflicts of interest.
- (d) **Trading Guidelines.** Recommend to the Board, annually, approval of guidelines respecting trading in the Corporation's securities by directors, officers and employees of the Corporation and its subsidiaries.
- (e) **Board Effectiveness.** Recommend to the Board, annually, approval of a process for assessing the effectiveness of the Board and its directors. Oversee the assessment process approved by the Board and provide recommendations to the Board arising from the feedback obtained through this process.
- (f) **Corporate By-Laws.** Recommend to the Board, as required, amendments to the Corporation's by-laws that may be necessary or advisable.
- (g) **Governance Practices and Policies.** Recommend to the Board, as required, the approval of practices and policies that are reasonably expected to enhance the effectiveness of the Board and the Corporation's approach to corporate governance, and review those practices and policies in light of developments in the area of corporate governance.
- (h) **Shareholder Proposals.** Assess and provide a recommendation to the Board in relation to any shareholder proposals submitted to the Corporation for inclusion in the Corporation's proxy circular.

2. **Director Nomination and Compensation**

- (a) **Characteristics.** Review, annually, the diversity of the Board's membership and the skills and experience possessed by the directors, and advise the Board in relation to any skills, experience or other characteristics that should be sought in new candidates that may be nominated by the Board for election as directors. In this connection, recommend to the Board, annually, approval of a diversity policy for the Board.

- (b) **Board Renewal.** Review, annually, the Board's approach to renewing its membership, and recommend to the Board any policies that may be advisable in this regard.
- (c) **Director Nominations.** Recommend to the Board (i) the individuals to be nominated for election or re-election as directors, and (ii) in the event of unexpected vacancies on the Board, individuals for appointment as directors to fill those vacancies.
- (d) **Subsidiary Directors.** Approve, as required, individuals for appointment as directors of any of the subsidiaries of the Corporation where such individuals are not employees of the Corporation or any of its subsidiaries.
- (e) **Director Compensation and Resources.** Annually review the appropriateness and adequacy of, and if appropriate recommend changes to the Board in relation to:
  - (i) the form and amount of compensation paid to directors;
  - (ii) the orientation offered to new directors;
  - (iii) continuing education opportunities available to directors; and
  - (iv) professional advice available to directors to enable them to fulfill their duties.

3. **Other Duties**

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

- (a) approve, as required, the Corporation's share ownership guidelines for directors and review, quarterly, compliance by the directors with those guidelines;
- (b) approve the Committee's report and the disclosure of the Corporation's governance practices that are included in the Corporation's annual proxy circular; and
- (c) 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.