



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

## NOMINATIONS COMMITTEE TERMS OF REFERENCE

Terms of reference as adopted by the board of directors (the “**Board**”) of AGT Food and Ingredients Inc. (formerly Alliance Grain Traders Inc.) (the “**Corporation**”) on the 12<sup>th</sup> day of August, 2014.

### I. PURPOSE

The purpose of the Nominations Committee (the “**Committee**”) is to identify and nominate for approval of the Board, candidates to fill Board vacancies as and when they arise. Such nominations will be made after giving full consideration of the current structure, size and composition of the Board, taking into account the challenges and opportunities facing the Corporation, and what skills and expertise are needed on the Board in the future.

### II. COMPOSITION AND PROCEDURE

- A. Following each annual meeting of shareholders of the Corporation, the Board shall elect from its members no fewer than three (3) directors, each of whom meet the independence standards of the Toronto Stock Exchange and the relevant Canadian securities regulatory authorities, to serve on the Committee.
- B. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced, whichever occurs first.
- C. A vacancy may be filled or an additional member may be appointed by the Board to hold office until the next annual meeting of shareholders of the Corporation.
- D. The Chairman of the Committee shall be designated by the Board from among the members of the Committee. In the absence of the Chairman of the Committee at any meeting of the Committee, the members present at the meeting shall appoint one of their members to act as Chairman of the meeting.
- E. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee may require.
- F. The quorum for meetings shall be two (2) directors, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.
- G. A notice of meeting shall be sent no later than forty-eight (48) hours prior to such meeting. However, meetings of the Committee may be held without formal notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner either before or after the meeting.



- H. The Committee shall invite such officers, directors, and employees of the Corporation, as it may deem appropriate, to attend a Committee meeting and assist thereat in the discussion and consideration of matters relating to the Committee.
- I. At any meeting of the Committee, the members of the Committee shall appoint one of the members of the Committee or the Secretary of the Corporation to act as secretary of such meeting.
- J. Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chairman of the Committee shall be entitled to a second or deciding vote.
- K. The Committee is authorized to seek any information it requires from any employee of the Corporation in order to perform its duties.
- L. The Committee may obtain, at the Corporation's expense, outside legal or other professional advice on any matters within its terms of reference. The Committee shall actively engage such professional advice as to matters which might pose risk or uncertainty.

### **III. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board. The Committee shall:

- A. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- B. Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Corporation, and what skills and expertise are therefore needed on the Board in the future.
- C. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- D. Before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;

- (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.
- E. Keep under review the leadership needs of the Corporation, both executive and non-executive, with a view to ensuring the continued ability of the Corporation to compete effectively in the marketplace.
- F. Keep up to date and fully informed about strategic issues and commercial changes affecting the Corporation and the market in which it operates.
- G. Review annually the time required from non-executive directors and use performance evaluations to assess whether the non-executive directors are spending enough time to fulfil their duties.
- H. Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- I. The committee shall also make recommendations to the Board concerning:
  - (i) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer;
  - (ii) suitable candidates for the role of lead director;
  - (iii) membership of the Audit and Compensation Committees, in consultation with the chairmen of those committees;
  - (iv) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (v) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Corporation subject to the provisions of the law and their service contract; and
  - (vi) the appointment of any director to executive or other office.



#### **IV. REPORTING RESPONSIBILITIES**

- A. The Committee shall report to the Board at its next regular meeting on its proceedings on all matters within its duties and responsibilities.
- B. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- C. The Committee shall make a statement in the annual reports of the Corporation about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- D. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- E. The Committee shall keep all information relating to prospective candidates provided to the Committee and discussed during meetings confidential.