

**AG GROWTH INTERNATIONAL INC.**  
**COMPENSATION AND HUMAN RESOURCES COMMITTEE**  
**TERMS OF REFERENCE**

**Establishment of Committee**

**1. Committee**

The Compensation Committee is established by the Board of Directors (the "**Board**") of Ag Growth International Inc. (the "**Corporation**") to assist the Board in fulfilling its responsibilities relating to compensation and human resources matters for 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 at least a majority of the members of the Committee shall be determined by the Board to be independent as defined by applicable securities laws, rules and regulations and the requirements of any applicable stock exchange.

**3. Appointment of Committee Members**

The members of the Committee shall be appointed by the Board 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.

**Committee Procedure**

**4. Vacancies**

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

## **5. Committee Chair**

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board.

## **6. 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.

## **7. Secretary of Committee**

The Committee shall appoint a Secretary who need not be a Director of the Corporation.

## **8. 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 two times per year.

## **9. Special Meetings**

The Chair, any two members of the Committee, or the President and Chief Executive Officer of the Corporation (the "**Chief Executive Officer**") may call a special meeting of the Committee.

## **10. Quorum**

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 and hear each other, shall constitute a quorum.

## **11. Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive

a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

## **12. 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.

## **13. 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.

## **14. Access**

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

## **15. Attendance of Officers at a Meeting**

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

## **16. 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).

## **17. 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, including sole authority to approve the fees and other retention terms for such persons.

## **Mandate of the Committee – Compensation and Human Resources**

### **25. Director Compensation**

The Committee shall review and make recommendations to the Board with respect to the compensation of the Corporation's directors to ensure that the compensation is appropriate and adequately reflects their responsibilities.

### **26. Compensation Guidelines and Agreements**

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

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

### **27. Chief Executive Officer Evaluation and Compensation**

The Committee shall review and approve the use of corporate goals and objectives relevant to the total compensation package of Chief Executive Officer, recommend a performance evaluation process for the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of these goals and objectives and using this process, and determine and approve, and recommend to the Board for approval, the Chief Executive Officer's compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee shall consider such factors as it determines appropriate in the circumstances.

### **28. Other Executive Compensation and Oversight**

In consultation with the Chief Executive Officer, the Committee shall oversee the evaluation of the Corporation's senior management (including executive officers) other than the Chief Executive Officer and shall make recommendations to the Board with respect to the total compensation package for the senior management other than the Chief Executive Officer.

### **29. Equity Compensation Review**

The Committee shall review periodically, and make recommendations to the Board regarding, incentive compensation or equity plans, programs or similar arrangements that the Corporation establishes for, or makes available to, its employees and consultants, including the designation of the employees and consultants who may participate, the share and option availability and the administration of share purchases.

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

### **30. Management Resources and Plans for Executive Development**

The Committee shall review existing management resources and plans, including recruitment, training and evaluations, to ensure that qualified personnel will be available for succession to senior management positions at the Corporation. The Committee shall also periodically discuss with the Chief Executive Officer his or her views as to a successor for the position of Chief Executive Officer. The Committee shall report on this matter to the Board at least once a year.

### **31. Retirement Matters**

The Committee shall:

- (a) review and recommend for approval by the Board any material changes in the Corporation's retirement plans;
- (b) where appropriate, give direction concerning retirement program matters to the management committee that supervises the Corporation's retirement programs; and

- (c) where appropriate, receive reports from management on any retirement program matters that may be of concern to the Board and report to the Board on such matters.

### **32. Pension Plans**

The Committee shall:

- a) receive periodic reports from management on compliance with applicable pension legislation;
- b) review and evaluate recommendations from management on the appointment and termination of service providers respecting the pension plans; and
- c) approve material changes to the pension plans.

### **33. Committee Report**

The Committee shall review and approve the Statement of Executive Compensation (including the Compensation Discussion and Analysis) required to be included in the Corporation's management information circular for its annual meeting of shareholders by applicable securities laws, rules and regulations.

### **34. Standards of Liability**

Nothing contained in these terms of reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the articles and bylaws of the Corporation, the Committee may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

## **Terms of Reference and Calendar**

### **35. Review**

The Committee shall develop a calendar of activities to be undertaken by the Committee for each ensuing year and shall submit any recommended changes to these terms of reference and the calendar to the Board.

Dated: January 27, 2014

**AG GROWTH INTERNATIONAL INC.**  
**COMPENSATION AND HUMAN RESOURCES COMMITTEE**  
**CALENDAR OF ACTIVITIES**

Description of Activity	January	March	May	August	November
Approve minutes of last meeting	X	X	X	X	X
Review and Administer pension plan and other retirement plans		X			X
Approve Compensation Discussion and Analysis and Executive Compensation disclosure to be included in the Management Proxy Circular		X			
Review CEO recommendations for compensation policies and budgets for employees		X			
Performance review of CEO	X				
Receipt / Approval of current year objectives of CEO and senior officers	X				
Approval of short term and long term incentive plan awards		X			
Review of Directors' compensation					X
CEO report on succession planning			X		
Review/benchmark compensation policies, guidelines and programs,					X



including those relating to benefits, pensions and post-retirement benefits					
Benchmark Comp and HR Committee Best Practices				X	