



AG GROWTH INTERNATIONAL INC.
GOVERNANCE AND SUSTAINABILITY COMMITTEE
TERMS OF REFERENCE

ESTABLISHMENT OF COMMITTEE

1. COMMITTEE

The Governance and Sustainability 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 (a) corporate governance principles, policies and practices for the Corporation, (b) oversight of the Corporation's strategies, policies, practices and performance in relation to sustainability and corporate social responsibility that preserve and enhance long-term shareholder value, (c) oversight of the identification of the principal risks faced by the Corporation and the implementation of appropriate systems to manage such risks, and (d) oversight responsibilities relating to environmental, health and safety 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. In order to facilitate and enhance the Committee's oversight of sustainability and social responsibility matters and risk management across the organization, the Board will endeavour, where practicable, to appoint the Chairs of the Audit Committee and Human Resources and Compensation Committee as members of the Committee.

COMMITTEE PROCEDURES

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 – GOVERNANCE AND ADMINISTRATION

18. IDENTIFICATION AND LONG-TERM PLANNING OF BOARD MEMBER CHARACTERISTICS

The Committee shall:

- a) identify and review with the Board the appropriate skills and characteristics required of Board members, taking into consideration the Board's short-term needs and long-term succession plans; and
- b) develop and update a long-term plan for the Board's composition that takes into consideration the characteristics of independence, age, skills, experience, diversity and availability of service of its members, as well as the opportunities, risks, and strategic direction of the Corporation.

19. EVALUATION, IDENTIFICATION AND RECOMMENDATION OF NOMINEES TO THE BOARD

In consultation with the Board Chair, the Committee shall identify and recommend to the Board nominees for election or re-election to the Board or for appointment to fill any vacancy that is anticipated or has arisen on the Board. In making its recommendations for nominees, the Committee should consider:

- a) the competencies and skills that the Board as a whole should possess;
- b) the competencies and skills of each existing director;
- c) the competencies and skills of each new nominee;
- d) whether the new nominee can devote sufficient time and resources to his or her duties as a director; and
- e) the diversity of the board composition, including gender, racial, and ethnic considerations.

20. MONITORING AND REVIEW OF BOARD MEMBER EDUCATION AND COMMITMENTS

The Committee shall:

- a) review, monitor and make recommendations regarding the initial orientation and education of new Board members, and the ongoing education of directors;
- b) review outside board memberships held by or offered to Board members, including the Chief Executive Officer; and
- c) upon a significant change in a Board member's principal occupation or upon a member assuming any significant outside commitments, review the continued Board membership of such individual.

21. RECOMMENDATION OF DIRECTORS TO SERVE AS COMMITTEE MEMBERS AND CHAIRS

The Committee shall identify and recommend to the Board individual Directors to serve as members and Chairs of Board Committees.

22. DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

The Committee shall be responsible for the Corporation's disclosure obligations regarding compliance with governance guidelines, recommendations or requirements under applicable securities laws, rules and regulations and the requirements of any applicable stock exchange.

23. BOARD GUIDELINES, PROCEDURES, TERMS OF REFERENCE AND POLICIES

The Committee shall:

- a) review periodically the Board manual outlining the policies and procedures by which the Board will operate and the Terms of Reference for the Board, committees of the Board, the Board Chair, Committee Chairs, individual directors and the Chief Executive Officer of the Corporation;
- b) advise the Board regularly with respect to significant developments in the law and practice of corporate governance as well as compliance with applicable laws and regulations;
- c) make recommendations to the Board on all matters of corporate governance, including any reports that may be required or considered advisable, and on any corrective action to be taken, as the Committee may deem appropriate;
- d) review the Board Diversity Policy, Code of Business Ethics, Disclosure Policy, Insider Trading Policy and any other governance-related policies ("**Governance Policies**") annually or more frequently as required to ensure the adequacy of the Governance Policies and approve, for recommendation for approval by the Board, any amendments to the Governance Policies considered by the Committee to be necessary or advisable;
- e) monitor the Corporation's compliance with and, as applicable, progress against any objectives or goals established with respect to the Governance Policies; and
- f) at the request of the Board Chair or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.

24. ESTABLISHMENT AND IMPLEMENTATION OF EVALUATION PROCESSES

The Committee shall establish criteria for, and implement, an evaluation process for the Board, the Board Chair, each committee of the Board, and individual directors in order to assess the effectiveness of the Board as a whole, the Board Chair, each committee of the Board, and the contribution of individual directors.

MANDATE OF THE COMMITTEE – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

25. SUSTAINABILITY AND CORPORATE RESPONSIBILITY STRATEGIES, POLICIES, PRACTICES AND PERFORMANCE

The Committee shall:

- a) oversee, make recommendations to the Board and provide input to management on the Corporation's strategies, policies and practices related to matters of sustainability and corporate social responsibility including the integration of sustainability into strategic and tactical business activities across the organization to create long-term shareholder value; and

- b) monitor compliance with the Corporation's policies and practices and, as applicable, progress against any objectives or goals established relating to sustainability and corporate social responsibility, including relationships with key external stakeholders that may have a significant impact on the Corporation's business activities and performance, and management of related risks and opportunities, including reviewing periodic and other management reports to the Committee or the Board with respect to sustainability and corporate social responsibility risks, opportunities, objectives, goals and performance.

26. PHILANTHROPY

The Committee shall oversee the Corporation's policies and programs with respect to community investment and corporate charitable activities.

27. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The Committee shall:

- a) Annually review and monitor including through reports from senior management (and request audits as desirable) the Corporation's environmental, health and safety systems, including:
 - i. health and safety emergency response planning processes;
 - ii. sufficiency of resources for health and safety compliance;
 - iii. communication to employees of health and safety policies, procedures and objectives;
 - iv. audit procedures, compliance responsibilities, policies and programs;
 - v. material civil or criminal proceedings involving the Corporation which relate to environmental, health and safety matters;
 - vi. annual or longer term objectives, targets and strategy to improve environmental, health and safety matters along with associated action plans and targets for key performance indicators;
 - vii. risks related to environmental, health and safety matters; and
 - viii. any required modifications;
- b) in the event of the occurrence of a material environmental, health or safety incident, which occurrence is required to be reported to regulatory authorities, receive and review as soon as reasonably practicable, a report from management detailing the nature of the incident and describing the remedial action being taken;
- c) review the status of any remediation projects and any significant legal and regulatory developments respecting environmental, health and safety matters which may have a

significant impact on the Corporation's operations; and

- d) periodically report to the Board on environmental, health and safety policies and significant activities of the Corporation relating to environmental, health and safety matters, and on the state of compliance by the Corporation with applicable law and adherence to the relevant policies of the Corporation.

28. EXTERNAL TRENDS

The Committee shall monitor and apprise the Board of and provide input to management on emerging environmental, social and governance (“**ESG**”), including health and safety, trends, risks, opportunities and issues that are relevant to the Corporation.

29. REPORTING AND DISCLOSURE

The Committee shall:

- a) report to the Board on its activities including its oversight of matters relating to sustainability and corporate social responsibility and, as applicable, its monitoring of the Corporation's progress against any established corporate objectives or goals;
- b) review those portions of the Corporation's disclosure documents containing significant information relating to matters within the Committee's mandate including any report on the Committee's activities; and
- c) review ESG reports issued from time to time by the Corporation, including, but not limited to, the Corporation's annual sustainability report.

MANDATE OF THE COMMITTEE – ENTERPRISE RISK MANAGEMENT

30. RISK OVERSIGHT

The Committee shall:

- a) annually review the Corporation's enterprise risk management (“**ERM**”) framework, including the procedures used to identify, assess and report key risks to which the Corporation may be exposed to significant operational, financial, compliance or reputational impacts, including those associated with the Corporation's information technology systems (including the effectiveness of the Corporation's cyber security practices);
- b) periodically review management updates on the status of mitigation of key risks to which the Corporation may be exposed, except for risks that remain under the primary responsibility of another Committee of the Board; and
- c) periodically report, as applicable, to the Board the results of the Committee's review of

the Corporation's ERM framework, risk assessment procedures and results, and status of mitigation of key risks to which the Corporation may be exposed.

31. 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

32. 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: May 2023



**GOVERNANCE & SUSTAINABILITY COMMITTEE
CALENDAR OF ANNUAL ACTIVITIES**

DESCRIPTION OF ACTIVITY	MAY	NOV
Governance and Administration		
Approve minutes of last meeting	X	X
Review action items	X	X
Receive notice of proposed memberships on outside boards	X	X
Review independence of Directors	X	
Review the long-term planning of Board Member characteristics as well as the opportunities, risks, and strategic direction of the Corporation	X	
Review corporate governance practices	X	
Review the governance-related policies of the Corporation including the Board Diversity Policy, Code of Business Ethics, Disclosure Policy and Insider Trading Policy	X	
Review the role of the Board, the Terms of Reference of the Board and each Committee and the methods and processes by which the Board fulfills its duties and responsibilities, including: <ul style="list-style-type: none"> i. number and content of meetings ii. terms of reference and calendars for the Board and Committees iii. material which is to be provided to the Board iv. resources available to the Board v. communication between the Board and management 	X	
For the G&S Chair: Benchmark G&S best practices, research trends and review areas for potential changes/improvements	X	
Review, monitor and make recommendations regarding the initial orientation and education of new Board members, and the ongoing education of all directors	X	
Review Board Manual contents	X	
Review and recommend nominees to the Board		X
Review and recommend to the Board the assignment of Committee members and chairs		X
Evaluate Board performance, performance of Chair and performance of individual directors		X
Conduct in-camera session	X	X
Enterprise Risk Management (ERM)		
Review report(s) from management with respect to the Corporation’s Enterprise Risk Management (ERM) Program, including: <ul style="list-style-type: none"> i. the ERM Program framework / approach, periodic enterprise risk assessment results, major operational, financial, compliance and reputational risk exposures; and the relevant strategies management has, or is taking to mitigate those risks to an acceptable level 		X
Review update from management on governance, policies and processes for the safe design, production, delivery and maintenance of products		X



**GOVERNANCE & SUSTAINABILITY COMMITTEE
CALENDAR OF ANNUAL ACTIVITIES - CONTINUED**

DESCRIPTION OF ACTIVITY	MAY	NOV
Environmental, Social and Governance (ESG)		
For the G&S Chair: Review the report with management, and summarize highlights as needed	X	X
Review the status of any remediation projects and any significant legal and regulatory developments regarding environmental, health and safety matters which may have a significant impact on the Corporation's operations	X	X
Review the Corporation's annual Environmental, Social and Governance (ESG) or similar report	X	
Annually review key observations/data/trends from the prior year and implications for the ensuing year's annual or longer-term strategy and objectives to improve environmental, health and safety matters, along with associated action plans and the definition of and targets for key performance indicators	X	
Review a report from management with respect to the Corporation's policies and practices relating to sustainability, management of sustainability-related risks and opportunities, and performance against any established objectives and goals	X	
Annually review and monitor (and request audits as desirable) the Corporation's environmental, health and safety systems including: <ul style="list-style-type: none"> i. the health and safety emergency response planning processes ii. sufficiency of resources for health and safety compliance iii. communication to employees of health and safety policies, procedures and objectives iv. any required modifications v. audit procedures, compliance responsibilities, policies and programs vi. risks related to environmental, health and safety matters 		X
As Needed; to be included in a G&S Committee Meeting or reported on during a regular Board Meeting		
In the event of the occurrence of a material environmental, health or safety incident, which is required to be reported to regulatory authorities, receive and review as soon as reasonably practicable, a report from management detailing the nature of the incident and describing the remedial action being taken		
Report to the Board on any environmental, health and safety issues that may materially affect the Corporation's current or future position, including compliance with legal and regulatory requirements		
Receive and review reports from the Corporation's senior legal officer on any material civil or criminal proceedings involving the Corporation which relate to environmental, health and safety matters		
Upon a significant change in a Board member's principal occupation or upon a member assuming any significant outside commitments, review the continued Board membership of such individual.		

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