

## CERES GLOBAL AG CORP.

### Corporate Governance Disclosure Statement

The Board has ultimate responsibility to supervise the management of the business and affairs of the Corporation. The Board considers good corporate governance to be central to the effective and efficient operation of the Corporation and regularly reviews, evaluates and modifies its governance program to ensure it is of the highest standard. The Board is satisfied that the Corporation's governance plan meets and, in many cases, exceeds legal and stock exchange requirements.

The Corporation is subject to corporate governance disclosure requirements which are prescribed by Canadian securities regulatory authorities. Specifically, the Canadian Securities Administrators introduced National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines*, as amended from time to time. Under NI 58-101, the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set out below. The Board has adopted a written mandate to formalize its responsibilities, a copy of which is posted within the Investor Relations section of our website, <http://www.ceresglobalagcorp.com>.

#### **Chairman of the Board**

In accordance with the By-Law No.1, following the Annual General Meeting, the Board will determine who will be the Chairman of the Board.

The Chairman of the Board is responsible for overseeing the performance by the Board of its duties, for communicating with Board committees, for assessing the effectiveness of the Board as a whole as well as the individual Board members, and for overseeing the management of the Corporation's business.

#### **Board Mandate**

The Board is responsible for supervising the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. The Board has adopted a written mandate to formalize its oversight responsibilities, a copy of which is posted within the Investor Relations section of our website, <http://www.ceresglobalagcorp.com>.

The Board's mandate is fulfilled in part through its standing committees, namely the Audit and Finance Committee, the NGRE Committee and HRSE Committee. The Board discharges its responsibilities directly and indirectly through these three standing committees, and acts with a view to the best interests of the Corporation and its shareholders with the primary objective of creating value for its shareholders commensurate with recognition of the Corporation's obligations to its other stakeholders including its employees.

At no less than quarterly meetings, the members of the Board: (i) review and discuss operational, financial and other reports which they have received in advance of the meeting; (ii) receive reports from the Chief Executive Officer; (iii) discuss issues and developments relating to current business of the Corporation; (iv) receive and discuss reports from the committees of the Board; and (v) approve and make such recommendations as are appropriate and required. In addition, at least once a year the Board reviews the annual business plan of the Corporation.

All major decisions involving material contracts, acquisitions, divestitures, significant capital expenditures, investments and strategic alliances are subject to Board approval. As well, any decisions concerning the Corporation's capital, the issue or repurchase of securities, the payment of dividends, appointments to Board committees and the approval of all continuous and public disclosure documents are made by the Board.

In fulfilling its mandate, the Board, directly or through one of its committees, is responsible for the following:

- the adoption of a strategic planning process for the Corporation;
- the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems and management of these risks by undertaking thorough reviews of operations, sales, marketing reports, Audit and Finance Committee reports and findings of the Corporation's external auditors to identify the principal risks to the Corporation's business;
- succession planning for the Corporation including the appointment, training and monitoring of senior management; and
- the integrity of the Corporation's internal control and management information systems.

### **Position Descriptions**

Pursuant to the Board's written mandate, the Board is responsible for developing position descriptions for the Chair of the Board, the chair of each Board committee and the Chief Executive Officer.

#### *Chairman of the Board*

The Chairman of the Board is responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer), for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole as well as the individual Board members, and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

#### *Chair of the Audit and Finance Committee*

The Chair of the Audit and Finance Committee is responsible for overseeing the performance by the Audit and Finance Committee of its duties, for assessing the effectiveness of the Audit and Finance Committee and the individual committee members and for reporting periodically to the Board.

#### *Chair of the Nominating, Governance, Risk and Ethics Committee*

The Chair of the NGRE Committee is responsible for overseeing the performance by the NGRE Committee of its duties, for assessing the effectiveness of the NGRE Committee and the individual committee members and for reporting periodically to the Board.

#### *Chair of the Human Resource, Safety, and Environment Committee*

The Chair of the HRSE Committee is responsible for overseeing the performance by the HRSE Committee of its duties, for assessing the effectiveness of the HRSE Committee and the individual committee members and for reporting periodically to the Board.

#### *Chief Executive Officer*

The Corporation's Chief Executive Officer is the principal officer of the Corporation and is charged with the responsibility for managing the strategic and operational agenda of the Corporation and for the execution of the directives and policies of the Board. The roles and responsibilities of the Chief Executive Officer include, among other things:

- developing, together with the Board, the Corporation's strategic direction;

- directing the overall business operations of the Corporation;
- ensuring that the Board is kept appropriately informed of the overall business operations of the Corporation and major issues facing the Corporation;
- having responsibility for the day-to-day operations of the Corporation, including the annual planning process, capital management, financial management, acquisitions, divestitures, etc., all of which must be accomplished within the strategic framework of the Corporation established by the Board;
- representing the Corporation to its major shareholders, including investment and financial communities, governments and the public;
- bringing the following material decisions to the Board for their review and approval: (i) disposition of assets or cancellation of debt other than in the ordinary and normal course of business; (ii) acquisition or initiation of a new business or undertaking or the assumption of any commitment, obligation or liability other than in the ordinary and normal course of business; (iii) issuance or sale of securities of the Corporation or rights, options or warrants to acquire securities of the Corporation; (iv) redemption or repurchase of securities of the Corporation; (v) declaration or payment of a dividend or other distribution in respect of any securities of the Corporation; (vi) any transaction, contract, agreement, undertaking or arrangement with a person with whom the Corporation does not act at arm's length; and (vii) any other transaction, contract, agreement, undertaking, commitment or arrangement, not in the ordinary and normal course of business which is or would be material in relation to the Corporation; and
- presenting to the Board any material business issues resulting from communications with shareholders.

### **Nomination of Directors**

#### ***Process***

The NGRE Committee is responsible for recruiting new directors. In assessing new candidates for nomination, this Committee will consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; and (iii) the competencies and skills each new nominee will bring to the Board.

The Corporation has implemented a majority voting policy for directors. See "Majority Voting Policy for Directors", a copy of which is posted within the Investor Relations section of our website, <http://www.ceresglobalagcorp.com>.

### **Nominating, Governance, Risk and Ethics Committee**

As described above, the NGRE Committee assesses new candidates for Board nomination in accordance with specific criteria. The NGRE Committee has adopted a written mandate to formalize its responsibilities.

The NGRE Committee is responsible for recruiting new directors. In addition to the responsibilities set out above, this Committee also has responsibility for the assessment of the competencies and skills of each existing director and to determine the appropriate size of the Board with a view to effective decision making. This Committee periodically reviews the mandate, and evaluates the performance, of the Board and its committees and makes recommendations to the Board. Because the NGRE is not composed entirely of independent directors, nominations to the Board are also reviewed and recommended by at least three independent members of the Board.

### **Human Resources, Safety, and Environment Committee**

The HRSE Committee considers matters relating to executive compensation, and makes recommendations regarding the compensation of the Chief Executive Officer and reviews and approves the compensation of all senior management, other employees reporting directly to the Chief Executive Officer and all other officers appointed by the Board. The HRSE Committee has adopted a written mandate to formalize its responsibilities.

**The Board annually reviews the compensation of the independent members of the Board and its committees against the compensation paid to other independent directors in the agricultural and wealth management industries. The Corporation reimburses all members of the Board for out-of-pocket expenses for attending such meetings.**