



**CERES**

GLOBAL AG CORP.

**NOMINATING, GOVERNANCE, RISK AND ETHICS (NGRE)  
COMMITTEE MANDATE**

**February 14, 2017**

## CERES GLOBAL AG CORP.

### NOMINATING, GOVERNANCE, RISK AND ETHICS (NGRE) COMMITTEE MANDATE

#### 1. Purpose

The Nominating, Governance, Risk and Ethics Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Ceres Global Ag Corp. (the “**Corporation**”) to assist and provide advice or recommendations to the Board on director nomination matters, corporate governance, risk and ethics.

The Committee will be responsible for developing and monitoring the Corporation’s system of corporate governance in the context of the applicable rules and regulations promulgated by the Canadian Securities Administrators and the Toronto Stock Exchange and best practices applicable to the Corporation.

#### 2. Membership

- (a) The Committee shall consist of a minimum of one or more independent directors of the Corporation. “Independent” shall have the meaning, as the context requires, given to it in National Policy 58-201 – *Corporate Governance Guidelines*, as may be amended from time to time. The Committee may include one director who is the Corporation's Chief Executive Officer and is not independent, provided that such member will automatically cease to be a member if there is no longer one or more members who are independent directors of the Corporation.
- (b) Appointments and replacements to the Committee will be made by the Board and will be reviewed on an annual basis. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed by resolution of the Board. Each member of the Committee (other than the Chief Executive Officer if he or she is a member) will automatically cease to be a member if he or she ceases to be an independent director of the Corporation.
- (c) The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee, provided that any subcommittee shall consist solely of members who are independent directors.
- (d) The Chair of the Committee may be elected by the Board or, if it does not do so, elected by majority vote of the members of the Committee. The Chair will be elected on an annual basis following the annual review of the Committee composition.

#### 3. Committee Rules of Procedure

- (a) The Committee will meet as required, but not less than quarterly. The Committee shall meet prior to the annual general meeting of the Corporation.
- (b) No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee including at least one member who is an independent director shall constitute a quorum.
- (c) Each member of the Committee shall have the right to vote on matters that come before the Committee and matters will be decided by a majority vote cast at a

meeting of the Committee or by an instrument in writing signed by all Committee members.

- (d) The Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.
- (e) The Committee has the authority, to the extent it deems necessary or appropriate, to retain independent legal or other advisors. The Corporation will provide appropriate funding, as determined by the Committee, for the payment of compensation to the advisors employed by the Committee.
- (f) Following each Committee meeting, the Committee will report to the Board at the next scheduled meeting of the Board, the proceedings of the Committee and any recommendations made by the Committee. The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.
- (g) The Committee shall have the authority to make recommendations to the Board but shall have no decision-making authority other than as specifically contemplated in this mandate.
- (h) The members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

#### **4. Conflicts of Interest**

The Committee shall monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics.

#### **5. Corporate Governance**

- (a) The Committee shall conduct a periodic review of the Corporation's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. If any of the Corporation's policies are different from those recommended by the Canadian Securities Administrators or applicable stock exchanges, the Committee shall advise the Board as to why it considers these differences to be appropriate. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a Committee thereof.
- (b) The Committee shall review the disclosure in the Corporation's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance. The Committee shall propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board. The Committee shall conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring

effective communication and the provision of information to directors in a timely manner.

## **6. Board Effectiveness**

- (a) The Committee, in consultation with the Chair of the Board, shall endeavour to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each director shall be requested to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors. These evaluations should take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.
- (b) The Committee will ensure that a clear separation of the responsibilities of the Board, the committees of the Board, the CEO, and the officers of the Corporation is defined and maintained.
- (c) The Committee shall develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation, and report to the Board thereon at least annually.
- (d) The Committee shall undertake on an annual basis an examination of the size and composition of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board or a change in the composition of the Board.
- (e) The Committee shall review the Board's committee structure on an annual basis and recommend to the Board any changes it considers necessary or advisable.

## **7. Orientation and Continuing Education**

- (a) The Committee shall develop and recommend to the Board a comprehensive orientation program for new directors, which shall include assisting new directors to understand (i) the nature and operation of the Corporation's business, (ii) the role of the Board and its committees, and (iii) the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors).
- (b) The Committee will ensure that directors receive adequate information and continuing education to enable them to maintain their skills and abilities as directors and ensure their knowledge and understanding of the Corporation's business remains current.

## **8. Nomination of New Directors**

- (a) The Committee will identify and recommend to the Board, in consultation with the CEO and the Chair of the Board, new directors of the Corporation with appropriate competencies and skills. The Committee must assess whether each of the

candidates so identified will be an independent director of the Corporation. In making its recommendations, the Committee will consider:

- (i) the competencies and skills considered necessary for the Board as a whole to possess;
- (ii) the competencies and skills that each existing director possesses; and
- (iii) the competencies and skills each new nominee will bring to the Board.

In addition, the Committee will consider whether each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

- (b) The Committee may recommend for Board approval the removal of a director from the Board or from a committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.
- (c) The Committee will assist the CEO in selecting the senior management of the Corporation.

## **9. Legal and Ethical Compliance**

The Committee shall:

- (a) subject to Board approval, establish, review and update periodically the Corporation's Code of Business Conduct and Ethics with a view to complying with all applicable rules and regulations, and ensure that management has established a system to enforce this code;
- (b) review, approve and receive regular reports from management with respect to compliance with the Corporation's Code of Business Conduct and Ethics and the review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements;
- (c) satisfy itself that management has established a system to disclose the Code of Business Conduct and Ethics, any amendments to the code and any waivers from the code granted by the Committee for the benefit of a Director or senior officer of the Corporation, as required by applicable rules and regulations and receive regular reports from management with respect to compliance with this system; and
- (d) review, approve and receive regular reports from management and the Corporation's legal counsel with respect to legal compliance matters including the Corporation's insider trading policy.

## **10. Risk Management and Insurance**

The Committee shall oversee the Corporation's risk management framework. In doing so, the Committee shall:

- (a) take into account the reports of management and such other persons as the Committee may consider appropriate and identify the principle risks of the

Corporation's business and satisfy itself as to the implementation of appropriate systems to manage these risks;

- (b) monitor the appropriateness and effectiveness of the Corporation's risk management systems and policies;
- (c) review the Corporation's insurance coverage and satisfy itself that management has obtained appropriate levels of coverage for risks of losses and liabilities that the Corporation is exposed to in its business; and
- (d) direct analysis on other broad risk areas.

#### **11. Assessment Process**

The Committee will review and reassess the adequacy of this mandate annually and the mandates for each Committee of the Board, together with the Position Descriptions of each of the Chairman of the Board, the CEO, the Chair of each committee, and where necessary, recommend changes to the Board to ensure compliance with any applicable rules and regulations promulgated by the Canadian Securities Administrators or the Toronto Stock Exchange.

#### **12. No Rights Created**

This mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.