



**C E R E S**

G L O B A L

**NOTICE OF  
ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
AND  
MANAGEMENT  
INFORMATION CIRCULAR**

**MEETING TO BE HELD ON  
NOVEMBER 20, 2019 AT 11:00 A.M. EST**

**AT**

**NATIONAL PUBLIC RELATIONS  
320 FRONT STREET WEST, SUITE 1600  
TORONTO, ONTARIO M5V 3B6**

# MANAGEMENT INFORMATION CIRCULAR

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**CERES GLOBAL AG CORP.  
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** an annual and special meeting (the “**Meeting**”) of shareholders of **CERES GLOBAL AG CORP.** (the “**Corporation**”) will be held at the offices of NATIONAL Public Relations at 320 Front Street West, Suite 1600, Toronto, Ontario M5V 3B6 on November 20, 2019 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the financial year ended June 30, 2019, and the auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint Baker Tilly WM LLP as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditors;
4. to consider and, if thought advisable, to pass, a resolution, the full text of which is reproduced in Schedule A to the accompanying Management Information Circular, approving an amendment to the Corporation’s Amended and Restated Stock Option Plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. Shareholders are invited to attend the Meeting.

Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Corporation c/o AST Trust Company (Canada) at P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or, if sent by facsimile, sent to: (416) 368-2502 or 1-866-781-3111 (toll free through North America)) or by email at proxyvote@astfinancial.com Attention: Proxy Department or to the Secretary of the Corporation at the Corporation’s registered office, which is located at c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9. To be effective, a proxy must be received by AST Trust Company (Canada) or the Secretary of the Corporation no later than November 18 at 11:00 a.m. (Toronto time) or, in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The Corporation reserves the right to accept late proxies and to waive the proxy cut-off deadline, with or without notice, but is under no obligation to accept or reject any particular late proxy. Completing and sending the proxy card will cancel any other proxy you may have previously submitted in connection with the Meeting, as it is the later dated proxy that will be counted. Shareholders of record at the close of business on October 4, 2019 will be entitled to vote at the Meeting in person or by proxy.

Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary.

**DATED** at Toronto, Ontario as of October 4, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *Douglas E. Speers*  
Chairman of the Board of Directors

**CERES GLOBAL AG CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

**PROXIES**

**Solicitation of Proxies**

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Ceres Global Ag Corp. (the “Corporation”) for use at an annual and special meeting (the “Meeting”) of holders of common shares (the “Common Shares”) of the Corporation to be held at the offices of NATIONAL Public Relations at 320 Front Street West, Suite 1600, Toronto, Ontario M5V 3B6 on November 20, 2019 at 11:00 a.m. (Toronto time) and at any adjournment or adjournments thereof, for the purposes set out in the foregoing Notice of Meeting (the “Notice of Meeting”). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited in person, by telephone, by electronic communications or otherwise by the Corporation’s investor relations group and by officers and directors of the Corporation without special compensation, or by AST Trust Company (Canada), at nominal cost. The costs of solicitation will be borne by the Corporation. The Corporation will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial shareholders of the Corporation and will provide customary reimbursement to such firms for the cost of forwarding these materials. Ceres may also retain and pay a fee to one or more proxy solicitation firms to solicit proxies from shareholders regarding matters set forth in the Notice of Meeting.

Except as otherwise stated, the information contained herein is given as of the date hereof. Unless otherwise indicated, dollar amounts are expressed in United States dollars, references to “\$” or “USD” are to United States dollars and references to “C\$” or “CAD” are to Canadian dollars.

**Appointment of Proxyholder**

The person(s) designated by management of the Corporation in the enclosed form of proxy are officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the person(s) or company(ies) designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

**Registered Shareholders**

In the case of registered shareholders, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation c/o AST Trust Company (Canada) at P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or, if sent by facsimile, sent to: (416) 368-2502 or 1-866-781-3111 (toll free through North America)) or by email at proxyvote@astfinancial.com Attention: Proxy Department, or to the Secretary of the Corporation at the Corporation’s registered office, which is located at c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9. To be effective, a proxy must be received by AST Trust Company (Canada) or the Secretary of the Corporation not later than November 18, 2019 at 11:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The Corporation reserves the right to accept late proxies and to waive the proxy cut-off deadline, with or without notice, but is under no obligation to accept or reject any particular late proxy.

**Non-Registered Shareholders**

Only registered shareholders or their duly appointed proxy nominees are permitted to attend in person and vote at the Meeting. However, in many cases, Common Shares are beneficially owned by the shareholder.

You are a non-registered beneficial shareholder (a “**Non-Registered Holder**”) if you are a shareholder whose Common Shares are registered in the name of an intermediary, such as an investment dealer, bank, trust company, trustee, custodian or other nominee (each, an “**Intermediary**”), or a depository or clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) in which the Intermediary participates. If your Common Shares are listed in an account statement provided to you by a broker or other Intermediary, then in almost all cases those Common Shares will not be registered in your name and are more likely registered under the name of your broker or other nominee or an agent thereof. In Canada, the vast majority of Common Shares are registered under the name of CDS Clearing and Depository Services Inc. (“**CDS**”) (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares registered in the name of any Intermediary, such as an investment dealer, broker, bank, trust company, trustee or other nominee, or a clearing agency, can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares on behalf of their clients. Therefore, Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person by the appropriate time.

Non-Registered Holders who have not objected to their Intermediary disclosing certain information about them to the Corporation are referred to as “NOBOs” (non-objecting beneficial owners), whereas Non-Registered Holders who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as “OBOs” (objecting beneficial owners). In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has elected to send the Notice of Meeting, this Circular and the related voting instruction form (“**VIF**”) or form of proxy or (collectively, the “**Meeting Materials**”) indirectly through Intermediaries to the NOBOs and OBOs. The Corporation intends to pay for an Intermediary to deliver the Meeting Materials to OBOs.

The Intermediary holding the Common Shares on your behalf is required to forward the Meeting Materials to you, unless you have waived your right to receive them, and to seek your instructions as to how to vote your Common Shares in respect of each of the matters described in this Circular to be voted on at the Meeting. Each Intermediary has its own procedures which should be carefully followed to ensure that your Common Shares are voted by the Intermediary on your behalf at the Meeting. These procedures may allow for voting by telephone, via the Internet, by mail and/or by facsimile. The applicable instructions for each such method of voting will be set out in the proxy or VIF provided to you directly by the Intermediary. The majority of brokers and nominees now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada and its counterpart in the United States (“**Broadridge**”). Broadridge typically mails VIFs to the Non-Registered Holders and asks Non-Registered Holders to return the forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

A Non-Registered Holder receiving a VIF from Broadridge cannot use that form to vote Common Shares directly at the Meeting. The form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. Each Non-Registered Holder should contact his or her Intermediary and carefully follow the voting instructions provided by such Intermediary. If you are a Non-Registered Holder and wish to vote your Common Shares in person at the Meeting, you should contact your Intermediary and follow their instructions for the completion and return of the proxy or VIF provided to you directly by them.

### **Revocation of Proxy**

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder’s attorney, who is authorized in writing, to or at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

## **Voting of Proxies**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

## AUTHORIZED CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value, of which 30,738,840 Common Shares were issued and outstanding as at the close of business on the Record Date (as defined below).

Each Common Share carries one vote in respect of each matter to be voted upon at the Meeting. The record date for the determination of holders of Common Shares entitled to receive the Notice of Meeting has been fixed as October 4, 2019 (the “**Record Date**”). Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

## PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the Record Date, to the knowledge of the directors and executive officers of the Corporation, no persons beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
VN Capital Fund C, L.P. <sup>(1)</sup>	15,327,133	49.9%
Cowan Asset Management Ltd. <sup>(2)</sup>	5,345,100	17.4%

Note:

(1) James Vanasek, a director of the Corporation, is a Principal of VN Capital Management, LLC and has control and direction over the shares held by VN Capital Fund C, L.P.

(2) Based solely on information contained in early warning reports filed on November 3, 2017; November 15, 2017; December 6, 2017; December 8, 2017; December 11, 2017; December 13, 2017; December 15, 2017 by Cowan Asset Management Ltd. on behalf of one or more investment funds (including Princeton Holdings Limited) and managed accounts for which Cowan Asset Management Ltd. provides investment management services.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as detailed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s most recently completed financial year, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED ON

### 1. Election of Directors

The Board of Directors of the Corporation (the “**Board**”) has fixed the number of directors at five. All five of the Corporation’s five current directors intend to stand for election to the Board. Management has put forward the names of such current directors as nominees. The term of each of the Corporation’s current directors expires at the Meeting and each director elected at the Meeting will hold office until the next annual general meeting of shareholders of the Corporation or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation’s by-laws or governing legislation.

**The persons named in the enclosed form of proxy intend to vote FOR the election of each of the below-named nominees unless otherwise instructed on a properly executed and validly deposited proxy.** Management does not contemplate that any nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets out the name and municipality of residence of each person proposed to be nominated by management for election as a director at the Meeting, all offices of the Corporation now held by such person, their principal occupation, the period of time for which they have been a director of the Corporation, and the number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by them, as at the date hereof. The information as to the number of Common Shares owned or controlled or directed, directly or indirectly, by each nominee has been provided by the person named. Biographical information for each nominee is also provided below.

Name and Municipality of Residence	Present Position with the Corporation	Principal Occupation During Preceding Five Years	Director Since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly	
ROBERT DAY <sup>(2)</sup> Minneapolis, Minnesota, United States	President and Chief Executive Officer	President and CEO of the Corporation; VP of Trading and Risk of the Corporation; Managing Director ED&F Man Asia; Cargill Commercial Director Grain and Oilseed Asia	N/A	61,094 Shares Nil DSUs 748,287 Options	
HARVEY T. JOEL <sup>(1)(3)(4)</sup> Toronto, Ontario, Canada	Director	Supply Chain & Infrastructure Advisor	September 27, 2013	5,375 Shares 124,404 DSUs Nil Options	
GARY W. MIZE <sup>(1)(2)(3)</sup> Klamath Falls, Oregon, United States	Director	Partner, MR & Associates	September 27, 2013	33,353 Shares 127,818 DSUs Nil Options	
DOUGLAS E. SPEERS <sup>(3)(4)</sup> Coldwater, Ontario, Canada	Chairman of the Board	Corporate Director	September 27, 2013	40,960 Shares 126,833 DSUs Nil Options	



<b>Name and Municipality of Residence</b>	<b>Present Position with the Corporation</b>	<b>Principal Occupation During Preceding Five Years</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly</b>
JAMES T. VANASEK <sup>(1)</sup> Sydney, New South Wales, Australia	Director	Principal of VN Capital Management, LLC	November 19, 2013	15,327,133 Shares <sup>(5)</sup> 5,347 DSUs Nil Options

Notes:

- (1) Member of the Audit and Finance Committee
- (2) Member of the Nominating, Governance, Risk and Ethics Committee
- (3) Independent director
- (4) Member of the Human Resources, Safety, and Environment Committee
- (5) Held by VN Capital Fund C, LP which is managed and controlled by VN Capital Management, LLC

Except as noted below, each of the foregoing directors of the Corporation has held the same principal occupation for the previous five years. Following the Meeting, the Board of Directors will determine who will be the Chairman of the Board.

**Robert Day** is President and Chief Executive Officer of the Corporation. Mr. Day joined Ceres on February 24th, 2015 as Vice President of Trading and Risk Management and later served as interim President and CEO of the Corporation. Prior to joining Ceres, Mr. Day worked for Cargill, Incorporated. (headquartered in Wayzata, MN, USA) from 1993 to 2012 and then ED&F Man (headquartered in London, England) from 2012 to 2015. While at ED&F Man, Mr. Day held the position of Managing Director Asia, based in Singapore and also supported the build-out of their capital markets business in the U.S. and Latin America. While at Cargill, Mr. Day held the positions of Commercial Director Grain & Oilseed Supply Chain, Greater China & Korea 2009 to 2012 (Shenzhen & Shanghai, China); Managing Director & Commercial Director, Grain & Oilseed Supply Chain Mexico 2004 to 2008 (Mexico City), Project Team Leader & Analyst, Cargill Strategy & Business Development 2000 to 2004 (Wayzata, MN, USA), and a variety of merchandizing and trading roles in the U.S. and Mexico from 1993 to 1999. Mr. Day has an M.B.A. from St. Thomas University in Minneapolis, MN, USA and a B.A. in International Relations from the University of Minnesota.

**Harvey T. Joel** has over 30 years of experience in a range of corporate leadership roles and is currently the Principal of an infrastructure and supply chain advisory company that offers a variety of services to assist clients to build, implement and optimize supply chain, logistics and transportation solutions. From 2003 to 2010, Mr. Joel was Vice President, Logistics for Canadian National Railway. In that role, he led and was accountable for a diverse group of transportation and supply chain services designed to interface with rail and deliver complete supply chain solutions. This group of businesses included warehousing, transloads, bulk commodity distribution terminals, auto handling distribution and access organization facilities, marine terminals, ships, custom brokerage, freight forwarding and truck brokerage. Prior to joining CN, Mr. Joel held a number of Senior Management positions at Norbord Industries including strategic planning, business development, operations improvement, sales, marketing and logistics. Mr. Joel has an M.B.A. and an H.B.A. in Business Administration from the Richard Ivey School of Business.

**Gary W. Mize** has 32 years of experience leading commodity-based trading and processing businesses. During his career, Mr. Mize has held the following corporate leadership roles: Global Chief Operating Officer of Noble Group; President of ConAgra Foods Grain Processing Group, where he managed the complete portfolio of the company's grain processing businesses; President and Chief Executive Officer of ConAgra Malt, the world's largest barley malt processor; and President of Cargill Incorporated's Worldwide Juice Division. Mr. Mize received a Bachelor of Arts (Business Administration and Marketing) degree from Michigan State University and attended the Advanced Executive Program at Northwestern University.

Mr. Mize also serves on the boards of Gevo Inc., a renewable chemical and advanced biofuels company, and Darling Ingredients, a manufacturer of sustainable natural ingredients from edible and inedible bio nutrients.

**Douglas E. Speers** is Chairman of the Corporation. He is the former acting Chairman and a former Director of Hydro One and also is the former Chairman and Director of Emco Corporation, a leading Canadian distributor of building materials for the residential, commercial, and industrial construction markets. Prior to his appointment as Chairman of Emco Corporation, Mr. Speers was Emco's President and CEO from 1997 to 2004. Between 1971 and 1988, he held several senior positions with Imperial Oil in Canada and Exxon International in New York City. Mr. Speers is a Professional Engineer-Province of Ontario and is an Emeritus Member of the Advisory Board of the Ivey Business School at Western University. He is Past Chair and Director of the Ivey Services Board and Past Chair of Ivey Business School Alumni Association. He is also Past Chair of the Executive Committee of the Canadian Industry Program for Energy Conservation (a joint Industry-Federal Government Initiative). Mr. Speers holds a B.S.A. from the Ontario Agricultural College-University of Guelph, a B.A.Sc. from the University of Toronto and a M.B.A. from the Ivey Business School.

**James T. Vanasek** is a Principal at VN Capital Management, LLC, a value-investing firm he co-founded in 2002 which currently has \$130 million under management. Prior to forming VN Capital, Mr. Vanasek spent the previous three and a half years working at JPMorgan Chase & Co. Initially, Mr. Vanasek provided restructuring advice during the Asian economic crisis and later focusing on leveraged finance to US and Latin American companies in JPMorgan's Financial Sponsor Coverage and Global Syndicated Finance groups. He is a member of the New York State Bar Association. Mr. Vanasek earned a B.A. degree from Yale University, a J.D. degree from Columbia Law School, and an M.B.A. degree from Columbia Business School.

#### ***Majority Voting for Directors***

The Board has adopted a policy (the "**Majority Voting Policy**") that requires, in an uncontested election of directors, any nominee for election as a director who receives a greater number of votes "withheld" than votes "for" to tender his or her resignation to the Board promptly following the applicable shareholders' meeting. The Nominating, Governance, Risk and Ethics ("**NGRE**") Committee will consider the offer of resignation and make a recommendation to the Board on whether to accept it. In considering whether or not to recommend acceptance of the resignation, the NGRE Committee will consider all factors deemed relevant by members of the Committee. The NGRE Committee will recommend acceptance of the resignation unless there are exceptional circumstances that would warrant rejecting or delaying the acceptance of the offer of resignation. The Board will make its final decision and announce it in a news release within 90 days following the shareholders' meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or the NGRE Committee at which such resignation is considered.

As of the Record Date there were no contracts, arrangements or understandings, such as a voting trust or pooling agreement, between a nominee and any other person, except the directors and executive officers of the Corporation acting solely in such capacity, pursuant to which the nominee is to be elected.

#### ***Corporate Cease Trade Orders or Bankruptcies***

No proposed director is, as of the date hereof, or has been, within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order, a similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) was subject to a cease trade order, a similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the

proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

No proposed director is, as of the date hereof, or has been within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold that company's assets.

### ***Penalties or Sanctions and Personal Bankruptcies***

No proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority, nor has any proposed director been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

No proposed director has, during the ten years prior to the date hereof, become bankrupt, made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

## **2. Appointment and Remuneration of Auditors**

The Board proposes that Baker Tilly WM LLP, an independent member of Baker Tilly International, be appointed as auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation or until a successor is appointed.

Management proposes the appointment of Baker Tilly WM, LLP, 900-400 Burrard Street, Vancouver, British Columbia V6C 3B7, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditors. **In the absence of a contrary specification made in the proxies received, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Baker Tilly WM LLP, as auditors of the Corporation and to authorize the Board to fix the remuneration of the auditors.**

## **3. Amendment to the Amended and Restated Stock Option Plan**

The Corporation's Amended and Restated Stock Option Plan (the "**Option Plan**"), which does not have a fixed number of securities issuable thereunder (i.e. an "evergreen" plan), was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on September 29, 2014 and subsequently amended and restated at the Corporation's annual and special meeting held on August 6, 2015. At the Corporation's annual and special meeting of shareholders held on November 14, 2018, the shareholders of the Corporation resolved to approve all unallocated options under the Option Plan, permitting the Corporation to continue granting options under the Option Plan until November 14, 2021.

The Toronto Stock Exchange ("**TSX**") requires that amendments to any security-based compensation arrangement, such as the Option Plan, be approved by the listed issuer's securityholders and by a majority of the listed issuer's directors.

On September 27, 2019, the Board approved certain amendments (the "**Proposed Amendments**") to the Option Plan by way of an amended and restated equity incentive plan (the "**Amended and Restated Plan**"), subject to shareholder and regulatory approval. The shareholders of the Corporation will be asked at the Meeting, or any adjournment thereof, to consider, and, if thought appropriate, to adopt, a resolution, the text of which is set out in Schedule A of this Circular, to approve the Amended and Restated Plan.

A copy of the Option Plan is attached hereto as Schedule A-1. For a summary of the Option Plan, see “Statement of Executive Compensation – Compensation Discussion and Analysis – Stock Option Plan”. The following summary of the Proposed Amendments to the Option Plan is qualified in its entirety by reference to the full text of the Amended and Restated Plan, a copy of which is attached hereto as Schedule A-2.

**The Board recommends that the shareholders of the Corporation vote FOR the resolution. In the absence of a contrary specification made in the proxies received, the persons named in the enclosed form of proxy intend to vote FOR this resolution.**

### ***The Proposed Amendments***

The Proposed Amendments include, in addition to amendments of a general housekeeping or clerical nature, amendments to include restricted share units (“**RSUs**”) as an additional type of equity compensation involving the issuance of Common Shares under the Amended and Restated Plan.

The Amended and Restated Plan provides for the grant of RSUs to certain officers, key employees and consultants of the Corporation (“**Participants**”). The Board will determine the dollar amount allocated to a Participant in respect of an RSU award (“**Award Value**”). The number of RSUs to be covered by each RSU award will be determined by dividing the Award Value for such award by the market price of a Common Share as at the applicable valuation date for such RSU award, rounded up to the next whole number.

Each instrument of grant will set forth the effective date of the RSU award evidenced thereby, the number of RSUs subject to such award, the applicable vesting conditions, the applicable vesting period(s) and the treatment of the award upon termination. The Board may specify other terms and conditions on the granting of RSU awards, consistent with the terms of the Amended and Restated Plan, including any instrument of grant terms or conditions pertaining to confidentiality of information relating to the Corporation’s operations or businesses which must be complied with by a Participant including as a condition of the grant or vesting of RSUs.

RSUs granted under the Amended and Restated Plan will become vested at such times, in such installments and subject to the terms and conditions of the Amended and Restated Plan as may be determined by the Board. Settlement of RSUs granted under the Amended and Restated Plan shall be made by the issuance of one Common Share for each RSU then being settled, subject to payment or other satisfaction of all related withholding obligations pursuant to the Amended and Restated Plan, upon or as soon as reasonably practicable following the vesting thereof. In all events RSUs will be settled on or before the earlier of the ninetieth (90th) day following the vesting date and the date that is two and one half (2½) months after the end of the year in which vesting occurred.

Subject to the terms of a Participant’s written employment agreement and unless otherwise determined by the Board, the following will occur in the event of termination of a Participant’s employment, in accordance with the Amended and Restated Plan. In the event a Participant’s employment is terminated for cause by the Corporation, or a Participant’s employment with the Corporation terminates as a result of the Participant’s resignation, no RSUs, that have not vested and been settled prior to the date of termination for cause or the date on which the Participant submits his/her resignation, as the case may be, including dividend equivalent RSUs in respect of such RSUs, will vest and all such RSUs shall be forfeited immediately. In the event a Participant’s employment is terminated by the Corporation without cause, the Participant dies or experiences a disability prior to the end of a vesting period relating to an RSU Award, the number of RSUs determined by the formula  $A \times B/C$ , where

- A equals the total number of RSUs relating to such award that have not previously vested and dividend equivalent RSUs in respect of such RSUs,
- B equals the total number of days between the first day of the vesting period relating to such award and the Participant’s date of termination or death or disability date, as the case may be, and

C equals total number of days in the vesting period relating to such award,

shall become vested RSUs on the Participant's date of termination or death or disability date, as the case may be.

The maximum number of Common Shares reserved for issuance upon the exercise of options and RSUs under the Amended and Restated Plan cannot exceed 10% of the total number of Common Shares issued and outstanding from time to time (3,073,884 Common Shares as of the date of this Circular), less the number of common shares reserved for issuance under the DSU Plan (539,500 Common Shares as of the date of this Circular), being 2,534,384 Common Shares as of the date of this Circular.

## 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 attached to this Circular as Appendix A.

### **Board of Directors**

#### ***Independent Directors***

With the exception of James Vanasek and Robert Day, all of the current and proposed members of the Board are considered by the Board to be "independent" within the meaning of National Instrument 52-110 *Audit Committees* ("NI 52-110").

Although Mr. Vanasek is not considered to be "independent" within the meaning of NI 52-110, Mr. Vanasek would be considered independent of the Corporation but for the fact that he is considered to be an affiliate of the Corporation because of his relationship with VN Capital Management, LLC, a private investment firm that manages VN Capital Fund C, L.P. which holds 49.9% of the outstanding Common Shares of the Corporation. The Board has determined that Mr. Vanasek is able to exercise impartial judgement necessary to fulfill his responsibilities as a member of the Audit and Finance Committee and that Mr. Vanasek's membership on such committee is required by the best interests of the Corporation and its shareholders.

#### ***Other Reporting Issuers***

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

<b>Name of the Director</b>	<b>Reporting Issuer(s)</b>
Gary W. Mize	Darling Ingredients International (NYSE) Gevu, Inc. (NASDAQ)

#### ***Board Meetings***

Each Board meeting (8 meetings were held during the financial period from July 1, 2018 to June 30, 2019) includes a session where independent members may meet in the absence of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions.

The Audit and Finance Committee (4 meetings were held during the financial period from July 1, 2018 to June 30, 2019), the NGRE Committee (4 meetings were held during the financial period from July 1, 2018 to June 30, 2019) and Human Resource, Safety, and Environment ("HRSE") Committee (4 meetings were held during the financial period from July 1, 2018 to June 30, 2019) were each composed of a majority of

independent directors and may meet as often as they deem necessary. The Audit and Finance Committee and HRSE Committee are composed of a majority of independent directors, and the NGRE Committee is currently composed of one independent member and one non-independent member.

### **Chairman of the Board**

The Chairman of the Board is Mr. Douglas E. Speers. Mr. Speers is an independent director who has served on the Board since September 27, 2013. In accordance with the By-Law No.1, following the 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.

### **Attendance Record**

The table below shows the attendance of the Board members at each Board and Board sub-committee meeting during the financial period from July 1, 2018 to June 30, 2019.

<b>Directors</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>	<b>NGRE Committee Meetings Attended</b>	<b>HRSE Committee Meetings Attended</b>
Harvey T. Joel	8/8	4/4	-	4/4
Gary Mize	8/8	4/4	4/4	-
Douglas E. Speers	8/8	-	-	4/4
James T. Vanasek	8/8	4/4	-	-
Robert Day	8/8	-	4/4	-

### **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 attached to this Circular as Appendix A.

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.

### **Directors' Equity Ownership Requirement**

All non-executive directors are expected to maintain a meaningful equity ownership in the Corporation in order to align their interests with those of shareholders.

The Board has adopted targets for equity ownership by directors of three times the amount of directors' annual base retainer. The equity ownership can be maintained through ownership of Common Shares, Deferred Share Units ("DSUs"), or a combination of both. Directors are expected to meet their ownership requirement within five years of joining the Board, with allowances for decreases in the market price of the Common Shares which have a material impact on the ability of directors to achieve targeted values.

### **Orientation and Continuing Education**

#### ***Orientation***

No formal orientation program has been developed by the Board. However, new directors have the opportunity to meet with and participate in work sessions with senior management to obtain insight into the operations of the Corporation. It is expected that new directors will generally have been executives with extensive business or other senior level experience and have directorship responsibilities on other public and private company boards and institutions. Orientation for these individuals is provided through a review of past Board materials and other private and public documents concerning the Corporation. Given the level of experience of those joining the Board, a formal orientation and education program has not been viewed as necessary.

#### ***Continuing Education***

The Corporation has no formal policy of providing professional development courses to Board members, although educational sessions are occasionally presented to the Board by the Corporation's outside advisors. Board members are experienced business people with in-depth knowledge of the industry in

which the Corporation operates. The Corporation will engage consultants on an as-needed basis to make presentations to the Board on matters relevant to the Corporation.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Board has not adopted term limits or other mechanisms for forcing the replacement of its directors. The Board believes that such renewal and the new perspectives it brings can happen naturally without imposing arbitrary limits on the tenure of its directors. In addition, in light of the business of the Corporation and the time necessary for persons to develop a thorough understanding of it, the Board believes that the quality of Board level decisions directly benefits from the continuity, experience and knowledge that comes from permitting longer-term service on the Board. The Board believes that the key is to select directors through a careful and thoughtful process designed to secure high quality candidates most capable of fostering the Corporation's needs and objectives, based on their individual qualifications, experience, and expertise, having regard to a variety of factors, including diversity.

### **Diversity on the Board and in Executive Officer Appointments**

The Board has not adopted a written policy relating to diversity, including relating to the identification and nomination of women or individuals meeting specific diversity criteria to the Board, or a target regarding representation of women on the Board and in executive officer positions. Diversity, including promoting the level of female representation on the Board and in executive officer positions, is one of many factors that is used in consideration for the identification and selection of potential candidates for the Board and hires and promotions to executive officer positions. However, the Board does not believe that strict rules on diversity are necessary to identify and select the best candidates for the Board and for executive officer positions. Accordingly, the Board does not specify gender representation targets when identifying potential candidates for the Board and executive officer positions. While the Corporation is mindful of the benefit of diversity in the workplace and on the Board, the Corporation is of the view that adopting targets regarding the representation of women or individuals meeting specific diversity criteria on the Board or in executive officer positions could compromise its ability to be responsive to the needs of the Board or the Corporation which may arise over time.

The Corporation believes that meaningful benefits can accrue from maintaining, wherever possible, a pool of motivated directors and employees which is inclusive of individuals across various diversity criteria, including gender, race, ethnicity, sexual identity/orientation, age, cultural background, geographical representation, professional and industry experience, educational background, religion and political affiliation. Identification, assessment and selection of possible candidates for nomination to the Board or re-election is based on merit, having regard to the various skills and competencies required for the Board, and the level of representation of women on the Board is one of several factors that is considered in this regard. In identifying and considering potential candidates for executive appointments, the Board may consider factors such as years of service, regional background, merit, experience and qualification as well as the level of representation of women in executive officer positions. In addition, the relative diversity of the Corporation's executive team is also driven by other factors, many of which are outside of the control of the Corporation, including the rate of employee turnover, when hiring and promotion opportunities arise, the available pipeline of staff with the necessary skills and experiences, and various other factors.

### **Ethical Business Conduct**

#### ***Code of Business Conduct and Ethics***

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**") which can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may also request a copy of the Code by mail to the Corporation's head office located at 701 Xenia Avenue South, Suite 400, Minneapolis, Minnesota, 55416, Attention: Chief Financial Officer.

## **Compliance**

The Board is ultimately responsible for the implementation and administration of the Code and, given the nature and size of the Corporation, the Board is of the view that it can effectively monitor the day-to-day implementation and administration of the Code.

## **Material Interest in Transactions**

Under the Business Corporations Act (Ontario), to which the Corporation is subject, a director or officer of the Corporation must declare the nature of any interest that he or she has in a material contract, whether made or proposed, with the Corporation. Following such a declaration, Board members will abstain from voting on any resolution in which they may have a potential conflict of interest.

## **Culture**

The Board monitors management on a regular basis. The Corporation is dedicated to the maintenance of good corporate governance and ethical business conduct. In particular, the Board takes special efforts, and engages outside counsel where necessary, to ensure that all legal and stock exchange requirements are addressed in a timely and effective manner. The Board is responsible for ensuring the independent functioning of the Board and ensuring the integrity of the Corporation's internal control and management function.

## **Nomination of Directors**

### **Process**

The NGRE Committee is responsible for recruiting new directors. In assessing new candidates for nomination, the NGRE 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 necessary for 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 for Directors".

## **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, the NGRE 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 Committee 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.

The members of the NGRE Committee are:

Chair: Gary W. Mize  
Member: Robert Day

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

The HRSE Committee considers matters relating to human resources policies, executive compensation, and health, safety and environmental matters. It 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 industry. The Corporation reimburses all members of the Board for out-of-pocket expenses for attending such meetings. See "Director Compensation Program" for details on Board of Director compensation plan.

All of the members of the HRSE Committee are independent directors. The members of the HRSE Committee are:

Chair: Harvey T. Joel  
Member: Douglas E. Speers

Mr. Joel was previously a member of the Corporation's Compensation Committee from September 2013 to November 2014. Mr. Joel previously was a Vice President at Canadian National Railway with direct responsibility for managing compensation for business unit as well as Health and Safety and Environmental management. Prior to his role at Canadian National Railway, Mr. Joel served as Vice President, Marketing, Sales and Logistics at Norbord Industries where he managed a compensation program for his group.

Mr. Speers was a member of the Board of Directors of Hydro One for approximately eight years and a member of the Human Resources Committee of the Hydro One Board for more than seven years starting in April 2007 when he was also appointed Chair of such committee. The Hydro One Human Resources Committee was responsible for all compensation, benefit, and pension policies for management and the unionized work force at Hydro One. Mr. Speers is also the former President and Chief Executive Officer of Emco Corporation, a distributor of building materials, and in that capacity had responsibility for all base pay, short- and long-term incentives, benefits and pensions for Emco employees. As well, Mr. Speers was the President of Building Products of Canada, with responsibility for, among other things, compensation and benefits for a unionized and non-union workforce. Mr. Speers has chaired and sat on a number of pension committees and fully understands defined benefit and defined contribution plans.

Each of the members of the HRSE Committee has attended numerous seminars and training sessions regarding compensation and other human resource topics.

### **Other Board Committees**

The Board's three standing committees are the Audit and Finance Committee, the NGRE Committee and HRSE Committee.

The Corporation's most recent Annual Information Form dated September 17, 2019 contains additional information about the Audit and Finance Committee, including the full text of the Audit and Finance Committee Mandate. The annual information form is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Assessments**

The Board as a whole annually reviews and assesses its effectiveness and the effectiveness of the Board committees. In addition, the NGRE Committee meets separately to assess the effectiveness of the Board and its committees.

## DIRECTOR COMPENSATION PROGRAM

### Director Compensation Review

The Board, through the HRSE Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. The HRSE Committee recognized that Board members were devoting increasingly more time to the oversight of the Corporation's affairs, including through significant amounts of time devoted apart from duties related to board meetings, and that directors' services had increased particularly in light of the termination of the external management agreement and the increased complexity of the Corporation's operations with the development of the Northgate Logistics Center. In 2014, the HRSE Committee reviewed the compensation paid to the Corporation's non-executive directors. The HRSE Committee considered the complexity of the Corporation's operations, the risks and responsibilities involved in being a director of the Corporation, the time required to prepare for and participate in scheduled and special Board meetings, the expected participation on the Board's committees, and the amount of time devoted by directors to the service of the Corporation outside of Board meetings. As part of this review, the Board analyzed: (i) the amount of the annual base retainer; (ii) Chairman fees; and (iii) committee and Chair fees. As part of its review, the HRSE Committee reviewed a survey of compensation to directors of Toronto Stock Exchange ("TSX") listed companies prepared by the Corporation's legal counsel.

Following this comprehensive review, on the recommendation of the HRSE Committee, the Board approved an increase to the annual base retainer from C\$25,000 to C\$100,000 (consisting of C\$45,000 in cash and C\$55,000 in DSUs). Other elements of director compensation include:

- An annual retainer of C\$20,000 for the Chair of the Board (consisting of C\$15,000 in cash and C\$5,000 in DSUs);
- Annual retainer fees of C\$15,000 for the chair of each of the Audit and Finance Committee, the HRSE Committee and the NGRE Committee; and
- Annual retainer fees of C\$7,500 to all other members of the Audit and Finance Committee, the HRSE Committee, the NGRE Committee, and the Risk Management Committee.
- Annual retainer fee of \$10,000 to the Corporation's seat on SSR's Board of Directors

No change was made to the annual base retainer fee payable to Mr. Vanasek (C\$1.00) given the significant shareholdings in the Corporation of VN Capital Management, LLC, of which Mr. Vanasek is a principal.

Under the terms of the Director's Share and Deferred Share Unit Plan ("DSU Plan"), directors may elect to receive additional DSUs, in lieu of cash compensation. The Board also determined that the portion of any fees elected by directors to be paid in DSUs in lieu of cash would receive matching DSUs having a value equal to 10% of the elected amount in accordance with the Corporation's DSU Plan (see full description of the DSU Plan below under "Deferred Share Unit Plan").

At the option of the Board, the Corporation may, in lieu of paying all or a portion of a directors' cash remuneration, issue Common Shares to the director having a value equivalent to such cash remuneration.

On September 21, 2017, the Board amended the DSU Plan to increase the maximum aggregate amount of DSUs and matching DSUs issuable under the plan from C\$100,000 to C\$150,000 per eligible director annually.

### **Director Compensation Table**

The following Director Compensation Table sets out the compensation earned by each of the Corporation's non-executive directors in the 12-month financial year ended June 30, 2019.

Directors	Fees Earned					Total
	Cash <sup>(1)</sup>	Common Shares <sup>(2)</sup>	DSUs <sup>(2)(3)(4)</sup>	All Other Compensation		
Harvey T. Joel	\$ -	\$ -	\$ 101,184	\$ -	\$ 101,184	
Gary W. Mize	\$ -	\$ -	\$ 109,852	\$ -	\$ 109,852	
Douglas E. Speers	\$ -	\$ -	\$ 105,706	\$ -	\$ 105,706	
James T. Vanasek	\$ 1	\$ -	\$ -	\$ -	\$ 1	

**Notes:**

- (1) Mr. Vanasek was paid his respective fees in CAD. For purposes of disclosure in this Circular, fees were converted to USD at an exchange rate of C\$1.3094 per \$1.
- (2) Includes the grant date fair value of directors' common shares and DSU retainers and the portion of the directors' cash retainers paid in DSUs. The number of common shares and DSUs granted is calculated by dividing the intended cash value of the grant by the fair value of the common shares on the grant date. Fair value is determined by the volume weighted average trading price per Common Share on the TSX during the immediately preceding 5 trading days. For the fiscal 2019 grant, the common share and DSU fair market value was C\$3.48 (Q1), C\$4.24 (Q2), C\$4.48 (Q3), C\$4.04 (Q4). The fees earned by each director from DSUs did not exceed C\$150,000 in the first 12 months of the plan year.
- (3) DSUs vest immediately and do not expire. DSUs are redeemed upon a director's resignation from the Board.
- (4) Mr. Joel sits on the Board of the Stewart Southern Railway on the Corporation's behalf for which he earns \$10,000 in addition to his base compensation and retainers from the Corporation.

**Directors' Compensation Plan**

**Stock Options**

None of our non-executive directors participate in the Option Plan, and none of them hold any stock options.

**Deferred Share Unit Plan**

Under the Corporation's Deferred Share Unit Plan ("DSU Plan"), DSUs are issued to directors (who are not employees of the Corporation or an affiliate of the Corporation (including any non-executive chair of the Board)), in lieu of cash, for a portion of the directors' fees otherwise payable to the directors. If an eligible director should become an officer (other than non-executive chair of the Board) or employee of the Corporation while remaining a director, his or her eligibility for the DSU Plan will be suspended effective the date of the commencement of his or her employment and will resume upon termination of such employment, provided he or she continues as a director of the Corporation.

The HRSE Committee (by delegation from the Board) will, in its sole and absolute discretion: (i) interpret and administer the DSU Plan; (ii) establish, amend and rescind any rules and regulations relating to the DSU Plan; (iii) have the power to delegate, on such terms and the Committee deems appropriate, any or all of its powers under the DSU Plan to any officer of the Corporation; and (iv) make any other determinations that the Committee deems necessary or desirable for the administration of the DSU Plan.

The fair market value of the DSUs on the date such units are calculated and issued represents the volume-weighted average trading price of the Common Shares for the five trading days immediately preceding the date of issuance of the DSUs. Each DSU entitles the director to receive payment after the end of the director's term in the form of Common Shares of the Corporation.

Under the DSU Plan, a director may elect to receive additional DSUs in lieu of a portion of the cash component of his or her annual cash remuneration. In such case, that director would receive matching DSUs having a value equal to 10% of the elected amount. The DSUs and matching DSUs issued pursuant to the DSU Plan shall not exceed an annual fair market value of C\$150,000 per eligible director.

An eligible director who redeems DSUs under the DSU Plan as of an entitlement date will be entitled to receive from the Corporation on such entitlement date, as a single distribution, one Common Share for each whole DSU being redeemed.

The entitlement date elected by an eligible director cannot be before the date on which such eligible director has ceased to hold the office of director for any reason whatsoever, including the death of the eligible director.

From time to time, the Board may, in its sole discretion, provide Common Shares to an eligible director in lieu of all or a portion of the annual cash remuneration payable to the eligible director in respect of services provided by the eligible director to the Corporation. The number of Common Shares to be provided to an eligible director in such a case is determined by dividing the amount of the annual cash remuneration being paid in Common Shares by the volume-weighted average trading price of the Common Shares for the five trading days immediately preceding the date of issuance. The Common Shares provided to an eligible director in lieu of the eligible director's annual cash remuneration shall not be subject to any restrictions or conditions imposed by the Corporation. No fractional Common Shares will be provided to an eligible director in connection with the foregoing.

The aggregate number of Common Shares issuable by the Corporation under the DSU Plan is limited to 539,500 Common Shares, representing approximately 1.8% of the Corporation's outstanding Common Shares as of the Record Date. All Common Shares subject to DSUs that terminate or are cancelled without being settled will be available for any subsequent issuance of DSUs under the DSU Plan.

The aggregate number of Common Shares issued to insiders of the Corporation within any 12-month period, or issuable to insiders of the Corporation at any time, under the DSU Plan and any other security-based compensation arrangement of the Corporation, may not exceed 10% of the total number of issued and outstanding Common Shares of the Corporation at such time.

In the event of an eligible director's death, Common Shares shall become issuable in respect of any and all DSUs then credited to such eligible director's account as soon as reasonably practicable after the eligible director's date of death.

The DSU Plan and any DSUs granted thereunder may be amended, suspended, modified, cancelled or terminated by the Board without approval of the shareholders of the Corporation. Notwithstanding the foregoing, shareholder approval (by a majority of the votes cast by shareholders of the Corporation present and voting in person or by proxy at a meeting of shareholders) is required for an amendment to: (i) increase the maximum number of Common Shares issuable pursuant to the DSU Plan; (ii) amend the assignment provisions of the DSU Plan; (iii) permit a person who is an employee of the Corporation or any subsidiary to be eligible for the grant of DSUs under the DSU Plan; (iv) increase the number of Common Shares that may be issued to insiders; (v) increase the number of DSUs that can be issued to eligible directors; (vi) include other types of equity compensation involving the issuance of Common Shares under the DSU Plan; or (vii) amend the amending provisions of the DSU Plan.

The Board may terminate the DSU Plan at any time and no DSUs may become effective under the DSU Plan after the date of termination. No such termination will, without the consent of the eligible director or unless required by law, adversely affect the rights of an eligible director with respect to any amount in respect of which an eligible director has then elected to receive in DSUs or DSUs which the eligible director has then been granted under the DSU Plan.

The rights of eligible directors respecting DSUs and other benefits under the DSU Plan are not transferable or assignable other than by will or the laws of descent and distribution.

As at October 4, 2019, the Corporation has outstanding 384,402 DSUs, all of which are vested (and have not yet been redeemed or settled).

## Outstanding DSUs

The following table provides details regarding the aggregate value of the directors' DSUs as at June 30, 2019:

Directors	Number of Outstanding DSUs <sup>(1)</sup> (#)	Fair Value of Outstanding DSUs <sup>(2)</sup> (\$)
Harvey T. Joel	115,269	\$ 355,646
Gary W. Mize	118,325	\$ 365,074
Douglas E. Speers	118,089	\$ 364,346
James T. Vanasek	5,347	\$ 16,497

### Notes:

- (1) All DSUs vest on grant date. The number of outstanding DSUs represents DSUs that are vested but not redeemed as at June 30, 2019.
- (2) The fair value of the outstanding DSUs was C\$4.04, determined by the volume-weighted average trading price of the Common Shares for the five trading days immediately preceding June 30, 2019. For purposes of disclosure in this Circular, the fair value of outstanding DSUs were converted to USD at an exchange rate of C\$1.3094 per \$1.

## Directors' Equity Ownership Interests

The Board has adopted targets for equity ownership by directors of three multiplied by the amount of directors' annual base retainer. The equity ownership can be maintained through ownership of Common Shares, DSUs or a combination of both. Directors are expected to meet their ownership requirement within five years of joining the Board, with allowances for decreases in the market price of the Common Shares which have a material impact on the ability of directors to achieve targeted values.

The following table sets out the equity ownership interests in the Corporation for each of our non-executive directors who are nominees for election to the Board as at October 4, 2019.

Directors	Common shares	DSUs	Directors' Equity Amount <sup>(1)</sup>	Equity Multiple of Annual Cash Retainer <sup>(2)</sup>
Harvey T. Joel	5,375	124,404	\$ 414,289	5.35
Gary W. Mize	33,353	127,818	514,501	6.24
Douglas E. Speers	40,960	126,833	535,640	7.94
James T. Vanasek <sup>(3)</sup>	15,327,133	5,347	48,945,355	48,945,354.60

### Notes:

- (1) Directors' Equity Amount is calculated as at October 4, 2019 based on the closing price of the Common Shares on the TSX of C\$4.18 on October 4, 2019. For purposes of disclosure in this Circular, the closing price of Common Shares on the TSX on October 4, 2019 was converted to USD at an exchange rate of C\$1.3094 per \$1.
- (2) Equity Multiple of Annual Cash Retainer is calculated by dividing the Director's Equity Amount by the amount of the annual cash retainer for each director. The annual cash retainer for all directors includes annual base cash retainer, sub-committee fees and additional chairman fee for the Chairman of the Board. Fiscal 2015 was the first year in which the non-executive directors' equity ownership requirement was in effect. Therefore, directors had until fiscal 2019 to meet the minimum requirement of three times their annual base retainer.
- (3) Effective January 1, 2015, Mr. Vanasek has accepted an annual retainer of C\$1.00. Mr. Vanasek, through VN Capital Management, LLC has control or direction over 49.9% of the outstanding Common Shares.



### **Indebtedness of Directors and Executive Officers**

To the knowledge of the Corporation, no current or former directors, executive officers and employees of the Corporation or any of its subsidiaries are indebted to or are the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### **Directors' and Officers' Liability Insurance**

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of C\$60 million, subject to a C\$50,000 retention payable by the Corporation. The premium paid by the Corporation for this coverage was C\$79,000. No premium is paid by individual directors and officers for this coverage.

## STATEMENT OF EXECUTIVE COMPENSATION

### **Compensation Discussion and Analysis**

The HRSE Committee reviews and recommends to the Board the compensation philosophy, strategy and principles of executive compensation plans, policies and programs. The HRSE Committee is comprised of independent directors each of whom is deemed to be financially literate with considerable experience in the design and administration of compensation programs, as well as the governance and operation of executive compensation more generally. This experience, in conjunction with a comprehensive compensation decision process and the support of independent compensation consultants, enables the HRSE Committee to formulate informed compensation recommendations for Board approval.

The Corporation's compensation practices are designed to attract, retain and motivate highly qualified executive officers, while at the same time promoting greater alignment of interests between such executive officers and the shareholders of the Corporation. The Corporation's compensation practices are intended to provide immediate, mid-term and long-term rewards to the executive officers that are consistent with individual performance and contribution to the Corporation's objectives. In addition, these compensation practices are developed with a view to providing competitive compensation to similar agribusiness companies.

The Corporation's compensation program is designed to reward the role of its current senior management team in executing its business strategy. Compensation components include base salary, short term incentive bonuses, and long-term incentive plan awards.

#### ***Base Salary***

The Corporation pays each officer a competitive salary to provide a guaranteed income commensurate with the officer's position. In determining the base salary of an officer, the Board considers and generally places equal weight on (i) the particular responsibilities related to the position, (ii) salaries paid by comparable agribusinesses to their executives, (iii) the experience level of the officer, and (iv) the officer's overall performance.

#### ***Short Term Incentive Compensation***

The Corporation pays short term incentive ("STI") bonuses to encourage its Named Executive Officers (defined below) to perform to the best of their abilities and to link executive compensation with the Corporation's success. Target STI bonus levels are established as a percentage of the Named Executive Officer's base salary as follows: CEO – 60% of base salary; CFO – 60% of base salary. The final result may equal between 0% and 125% (150% in the case of the CEO) of the target STI bonus based on the Corporation's performance and the Named Executive Officer's individual performance. The HRSE Committee does not have discretion to grant STI bonuses in excess of the maximum percentages.

For the fiscal year ended June 30, 2019, the determination of Mr. Day's and Mr. Egbert's STI bonuses were based on corporate performance and on individual performance.

#### ***Long Term Incentive Plan***

Long term incentive compensation is provided through the Corporation's Option Plan, which was approved by shareholders at the Corporation's annual and special meeting held on September 29, 2014 and subsequently amended and restated at the Corporation's annual and special meeting held on August 6, 2015 (the "**Option Plan**"). At the Corporations' annual and special meeting of shareholders held on November 14, 2018, the shareholders of the Corporation resolved to approve all unallocated options under the Option Plan, permitting the Corporation to continue granting options under the Option Plan until November 14, 2021.

On September 27, 2019, the Board approved certain amendments to the Option Plan by way of the Amended and Restated Plan, subject to shareholder and regulatory approval, to allow for the granting of

RSUs under the Amended and Restated Plan. The shareholders of the Corporation will be asked at the Meeting, or any adjournment thereof, to consider, and, if thought appropriate, to adopt, a resolution, the text of which is set out in Schedule A of this Circular, to approve the Amended and Restated Plan. See “Amendment to the Amended and Restated Stock Option Plan”.

The purpose of the Option Plan is to attract, retain and motivate certain officers, key employees and consultants by providing them with the opportunity, through options and other equity incentives, to acquire an ownership interest in the Corporation and to benefit from an increase in the value of the Corporation’s common shares.

The Corporation’s long-term incentive (“**LTI**”) plan, including the Option Plan, is intended to align the interests of officers with the interests of shareholders by motivating such officers to increase shareholder value over the long-term. LTI compensation can also be used as a tool to reward performance, while conserving the cash resources of the Corporation.

### ***Stock Option Plan***

As discussed above, the Board has approved certain amendments to the Option Plan by way of the Amended and Restated Plan, subject to shareholder and regulatory approval, to allow for the granting of RSUs under the Amended and Restated Plan. See “Amendment to the Amended and Restated Stock Option Plan”. The following is a summary of the Corporation’s Option Plan as of the date hereof.

Participation in the Option Plan is available to certain officers, key employees and consultants of the Corporation and its subsidiaries. Non-employee directors are not eligible for the grant of awards under the Option Plan.

The Option Plan is administered by the Board, which shall determine (among other things) those officers, key employees and consultants who may be granted awards and the terms and conditions of any award to any such participant. The exercise price of the options shall be fixed by the Board and shall be no less than 100% of the market price on the effective date of the award of the options, which may be granted for a term not exceeding ten years. The Board shall also determine the vesting period or periods within the term during which an option or a portion thereof may be exercised by a participant and any other vesting conditions. Market price is defined as the volume weighted average trading price of a common share of the Corporation on the TSX for the five trading days preceding the grant date.

The maximum number of Common Shares reserved for issuance upon the exercise of options (and, subject to shareholder approval of the Amended and Restated Plan, RSUs) cannot exceed 10% of the total number of Common Shares issued and outstanding from time to time (3,073,884 Common Shares as of the date of this Circular), less the number of common shares reserved for issuance under the DSU Plan (539,500 Common Shares as of the date of this Circular), being 2,534,384 Common Shares as of the date of this Circular.

The maximum number of Common Shares of the Corporation issued to insiders within any one-year period, or issuable to insiders at any time, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the number of then issued and outstanding Common Shares.

In addition, the aggregate number of common shares reserved for issuance to any one participant (including insiders) under the Option Plan, together with all other share compensation arrangements of the Corporation, cannot exceed 5% of the then issued and outstanding Common Shares (on a non-diluted basis).

The Option Plan also provides for the grant of Stock Appreciation Rights (“**SARs**”) to certain officers, key employees and consultants of the Corporation. Stand-alone SARs granted under the Option Plan will become vested at such times, in such installments and subject to the terms and conditions of the Option Plan (including satisfaction of certain performance criteria and/or continued employment) as may be determined by the Board. The base price for each Common Share subject to a stand-alone SAR shall not be less than 100% of the market price of a Common Share on the effective date of the award of such stand-

alone SAR. Tandem SARs may be granted at or after the effective date of the related award of options, and each tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the option to which it relates and the additional terms and conditions under the Option Plan. Tandem SARs may be exercised only if and to the extent the options related thereto are then vested and exercisable. On exercise of a tandem SAR, the related option will be cancelled and the participant will be entitled to an amount in settlement of such tandem SAR in Common Shares or a combination of cash and Common Shares, as determined by the Board, of an aggregate amount equal to:

the product of

(A) the excess of the market price of a Common Share on the date of exercise over the exercise price or base price for a Common Share under the applicable SAR,

multiplied by

(B) the number of SARs exercised.

Unless the Board determines otherwise, on exercise of a stand-alone SAR, when and to the extent vested, the participant shall be entitled to an amount in cash in settlement of such stand-alone SAR determined in accordance with the above formula.

In the case of a participant's termination due to retirement or disability, (i) the participant's outstanding awards that have become vested prior to the participant's date of termination will continue to be exercisable for the balance of their term, and (ii) the participant's outstanding awards that have not become vested prior to the participant's date of termination will be forfeited and cancelled as of such date of termination.

In the case of a participant's termination due to death, (i) the participant's outstanding awards that have not become vested prior to the participant's date of termination will be forfeited and cancelled as of such date of termination, and (ii) all of the participant's outstanding awards will continue to be exercisable during the period ending on the earlier of the one-year anniversary of the date of termination and the end of the term of the applicable award.

In the case of a participant's termination due to the participant's termination without cause, (i) those of the participant's outstanding awards that have not become vested prior to the date on which the participant receives notice of this or her termination will be forfeited and cancelled as of such date, subject to the requirements of applicable employment standards legislation, and (ii) those of the participant's outstanding awards that have become vested prior to the date of which the participant receives notice of his or her termination, or such longer period as may be required by applicable employment standards legislation, shall continue to be exercisable during the 90 day period following the participant's date of termination.

In the case of a participant's termination due to the participant's resignation, (i) those of the participant's outstanding awards that have not become vested prior to the date of which the participant provides notice to the Corporation of his or her resignation shall be forfeited and cancelled as of such date, and (ii) those of the participant's outstanding awards that have become vested prior to the date on which the participant provides notice to the Corporation of his or her resignation shall continue to be exercisable during the 30 day period following the participant's date of termination.

Notwithstanding the foregoing, with respect to any option that is intended to be an incentive stock option, such options shall not be exercisable for a period that is longer than (i) three months from the date of the participant's termination for any reason other than death or disability, or (ii) 12 months from the date of the participant's termination due to disability.

The provisions relating to the termination of a participant's participation in the Option Plan described above may be varied by determination of the Board and the Board may, at the time of termination, extend the period for exercise of awards (but not beyond the original expiry date) and/or allow for the vesting during the period for exercise or a portion of it.

In the case of a participant's termination for cause, any and all outstanding awards granted to the participant, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given.

Benefits under the Option Plan may not be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a participant other than by testamentary disposition by the participant or the laws of intestate succession.

The Option Plan and any awards granted pursuant to the Option Plan may be amended, modified or terminated by the Board without approval of the shareholders of the Corporation, subject to any required approval of the TSX. Examples of the types of amendments that are not material that the Board is entitled to make without shareholder approval include, without limitation, the following: (a) ensuring continuing compliance with applicable law, the rules of the TSX or other applicable stock exchange rules and regulations or accounting or tax rules and regulations; (b) amendments of a "housekeeping" nature, which include amendments to correct any defect, supply any omission, or reconcile any inconsistency in the Option Plan or any instrument of grant evidencing an award in the manner and to the extent it shall deem desirable to carry the Option Plan into effect; (c) changing the vesting provisions of the Option Plan or any award; (d) waiving any conditions or rights under any award; (e) changing the termination provisions of any award that does not entail an extension beyond the original expiration date thereof; (f) adding a cashless exercise feature payable in securities, where such feature provides for a full deduction of the number of underlying securities from the Option Plan reserve, and any amendment to a cashless exercise provision; (g) adding a form of financial assistance and any amendment to a financial assistance provision which is adopted; (h) changing the process by which a participant who wishes to exercise his or her award can do so, including the required form of payment for the Common Shares being purchased, the form of written notice of exercise provided to the Corporation and the place where such payments and notices must be delivered; and (i) delegating any or all of the powers of the Board to administer the Option Plan to a committee of the Board or officers of the Corporation.

Notwithstanding the foregoing, the Option Plan or any award granted thereunder may not be amended without approval by a majority of the votes cast by shareholders of the Corporation present and voting in person or by proxy at a meeting of shareholders of the Corporation to: (a) increase the maximum number of Common Shares issuable pursuant to the Option Plan; (b) reduce the exercise price of an outstanding award, including a cancellation of an award and re-grant within six months of an award in conjunction therewith constituting a reduction of the exercise price of the award; (c) extend the maximum term of any award granted under the Option Plan; (d) amend the assignment provisions contained in the Option Plan; (e) permit a non-employee director to be eligible for the grant of awards under the Option Plan; (f) increase the number of Common Shares that may be issued to insiders above the restriction described above; (g) increase the maximum term of awards granted under the Option Plan; (h) include other types of equity compensation involving the issuance of Common Shares under the Option Plan; (i) cause incentive stock options to fail to meet the requirements of the Internal Revenue Code Section 422; or (j) amend or delete any of (a) through (i) in this paragraph.

The following table sets forth the number of options granted under the Option Plan for the periods noted below and the potential dilutive effect of such options:

<b>Year Ended</b>	<b># of Options Granted</b>	<b>Weighted Average Common Shares Outstanding</b>	<b>Burn Rate<sup>(1)</sup></b>
June 30, 2019	750,000	27,934,991	2.7%
June 30, 2018	340,500	27,924,308	1.2%
June 30, 2017	892,826	27,538,615	3.2%

Notes:

- (1) The burn rate for a given period is calculated by dividing the number of options granted during such period by the weighted average number of Common Shares outstanding during such period.

As of the date of this Circular, stock options awards had been made by the Corporation, with 1,830,387 Common Shares issuable under these awards, being approximately 6.6% of the total Common Shares issued and outstanding. On May 10, 2018, the Board authorized an amendment to all issued and outstanding Options to add a Tandem SAR grant and revised vesting schedule in accordance with the Option Plan above. All outstanding option awards were granted after March 31, 2015.

### ***CEO Employment Agreement – Robert Day***

The Corporation appointed Mr. Robert Day to the position of President and Chief Executive Officer, effective September 22, 2016. The Corporation and Mr. Day have entered into an employment agreement which outlines the terms and conditions of Mr. Day's employment (the "**Day Employment Agreement**").

Pursuant to the Day Employment Agreement, Mr. Day is entitled to receive an annual base salary of \$375,000. He is eligible for annual short term and long-term compensation awards at the discretion of the Board. His targets for such awards are 60% and 100%, respectively, of his annual base salary.

The Day Employment Agreement provides that Mr. Day's employment will be "at will" and not for a specific term. Mr. Day may terminate his employment at any time by giving the Corporation 90 days' prior written notice and the Corporation will be entitled to waive all or part of that notice and accept Mr. Day's resignation at an earlier effective date. The Corporation may terminate Mr. Day's employment without cause by providing Mr. Day with salary continuation in lieu of notice equivalent to six months' base salary and target short term incentive award plus one additional month for each year of service, up to a maximum of 18 months.

### ***Employee Share Purchase Plan***

As part of the Corporation's long-term incentive program, the Corporation has established the Ceres Global Ag Corp. Employee Share Purchase Plan (the "**ESPP**"). The purpose of the ESPP is to encourage equity ownership in the Corporation by its executive directors, officers and employees through the purchase of Common Shares.

The initial ESPP was approved by shareholders at the Corporation's annual and special meeting held on September 29, 2014 and provided for the purchase of Common Shares through the issuance of new shares by the Corporation. On June 15, 2015 the Board approved certain amendments to the ESPP, including amendments to provide that Common Shares purchased through the ESPP would be purchased in the market from already outstanding Common Shares. On May 10, 2018, the Board approved certain amendments to the ESPP, including an amendment to provide that The Chief Executive Officer of the Corporation may, in his or her absolute discretion, the right to waive any vesting conditions applicable to the unvested Common Shares held by a participant or declare any previously unvested Common Shares to be vested.

All directors of the Corporation, excluding non-executive directors, and all officers and employees of the Corporation who have been continuously employed by the Corporation for at least six consecutive months are eligible to participate in the ESPP.

A participant may elect to participate in the ESPP at prescribed times during a calendar year by delivering to the Corporation a written direction in a prescribed form. If the payroll deduction feature is selected, the Corporation will deduct an amount from the participant's basic annual salary (as defined in the ESPP) in equal instalments based on the applicable payroll schedule. Alternatively, a participant may elect to make contributions to the ESPP on a quarterly basis in four equal instalments by cheque payable to the Corporation. The amounts so deducted by or paid to the Corporation will be applied to the purchase of common shares on the TSX pursuant to the ESPP and will be held in trust by the Corporation. For participants who are full-time employees on short-term or long-term disability, workers' compensation or parental leave, payment of contributions will be accepted by cheque, subject to the satisfaction of all other requirements of the ESPP.

Under the terms of the ESPP amended on May 10, 2018, the Corporation will make a matching contribution of 100% of each participant's contribution, provided that the aggregate amount of the Corporation's contributions in respect of any participant during any Plan Year (as defined in the ESPP) shall not exceed C\$2,500.

For contributions made prior to September 28, 2018, the Common Shares purchased under the ESPP using the Corporation's matching contribution vest in three equal tranches on the contribution date, the first anniversary of the contribution date and the second anniversary of the contribution date.

Prior to the applicable vesting date, unvested Common Shares issued to a participant may not be sold, transferred or otherwise disposed of by the participant other than pursuant to a bona fide third party takeover bid made to all shareholders of the Corporation or a similar acquisition transaction, provided that, if the takeover bid or acquisition transaction is not completed, any unvested Common Shares held by a participant immediately prior to such takeover bid or acquisition transaction will remain subject to the original terms of vesting and applicable vesting date. The participant will not have the right to receive any cash dividends or other cash distributions declared and paid by the Corporation in respect of the Common Shares of the Corporation until the applicable vesting date for the unvested Common Shares. All such cash dividends or other cash distributions will be held in trust on the participant's behalf by the administrative agent for the ESPP until the applicable vesting date of the participant's unvested Common Shares.

In the event that a participant ceases to be eligible for participation in the ESPP by virtue of the termination of his or her employment with the Corporation for any reason, whether voluntary or involuntary, or in the event of the death of the participant while participating in the ESPP, all unvested Common Shares and all related cash dividends or other cash distributions held in trust by the administrative agent will be immediately forfeited and no further purchases of Common Shares will be made on behalf of the participant. The participant's contribution then held by the Corporation for the participant will be paid to the participant or his or her estate or otherwise as directed by a court of competent jurisdiction, and the Corporation's contribution then held in trust for the participant will be paid to the Corporation. All unvested Common Shares and all related cash dividends or other cash distributions held in trust by the administrative agent that are forfeited by a participant will offset the Corporation's contributions required to be made by the Corporation subsequent to the date of such forfeiture.

For contributions made after September 28, 2018, the CEO of the Corporation intends on waiving the vesting conditions for the foreseeable future. The result will be no vesting period for the employee share purchase plan going forward.

### **Compensation Risk**

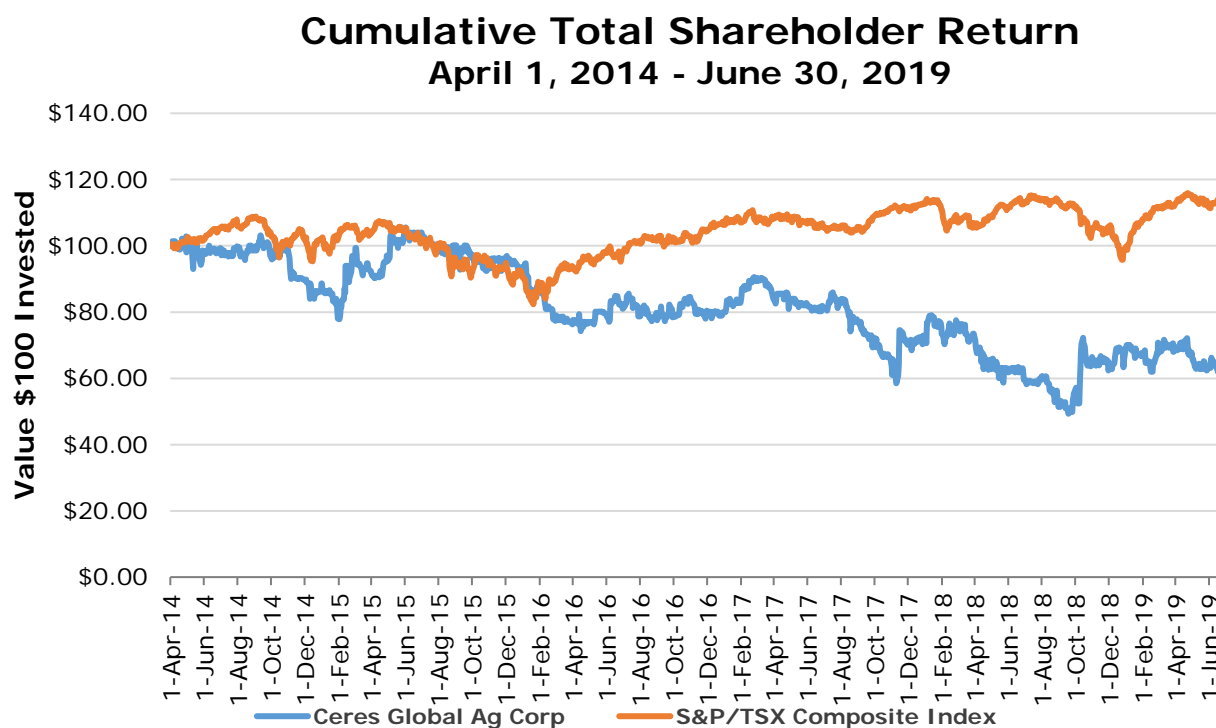
In reviewing the compensation policies and practices of the Corporation each year, the HRSE Committee seeks to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Corporation.

The HRSE Committee seeks to ensure the Corporation's compensation practices do not encourage excessive risk-taking behaviour by the Named Executive Officers. The Corporation's long-term incentive plans have been designed to focus on the long-term performance of the Corporation, which discourages the Named Executive Officers from taking excessive risks in order to achieve short-term, unsustainable performance.

All of the Corporation's executives, including the Named Executive Officers, directors and employees are subject to the Corporation's insider trading policy, which prohibits trading in the securities of the Corporation while in possession of material undisclosed information about the Corporation. Under this policy, such individuals are also prohibited from engaging in short selling of, or the trading in puts, calls or options in respect of the Corporation's securities.

## Performance Graph

The following performance graph reflects the performance of the Corporation's Common Shares against the S&P/TSX Composite Index for the quarterly periods indicated based on C\$100 invested on April 1, 2013. The trend shown in the performance graph is approximately similar to the trend of compensation to the named executive officers over the same period.



	April 1, 2014	March 31, 2015	March 31, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>Ceres Global Ag Corp.</b>	C\$100	C\$92.46	C\$76.28	C\$80.90	C\$59.48	C\$60.64
<b>S&amp;P/TSX Composite Index</b>	C\$100	C\$103.63	C\$93.84	C\$105.57	C\$113.19	C\$113.92

The Corporation's executive compensation programs are designed to align the value that the executive officers of the Corporation ultimately receive from the programs with the financial, operating and market performance of the Corporation. Executive compensation has generally corresponded to the trends in total shareholder return shown by the graph over the period from 2014 to 2019, although industry-specific factors, including a competitive marketplace for talent, have influenced compensation over the same period. Base salaries are reviewed annually.



## Summary Compensation Table

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation's subsidiaries during the financial years ended June 30, 2019, June 30, 2018, and June 30, 2017 by the Corporation's Chief Executive Officer, Chief Financial Officer, the Corporation's other three most highly compensated executive officers and certain former executive officers (collectively, the "Named Executive Officers").

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		All other compensation (\$) <sup>(2)</sup>	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Robert Day President and CEO	2018/19	375,000	Nil	102,444	Nil	Nil	13,781	491,225
	2017/18	375,033	Nil	54,381	100,000	Nil	13,154	542,568
	2016/17	356,250	Nil	186,108	Nil	Nil	12,618	554,976
Kyle Egbert <sup>(3)</sup> VP, Chief Financial Officer	2018/19	270,000	Nil	76,833	Nil	Nil	8,975	355,808
	2017/18	235,288	Nil	22,697	50,000	Nil	3,600	311,585
	2016/17	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Kucala <sup>(3)</sup> Former Chief Financial Officer	2018/19	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017/18	193,783	Nil	Nil	Nil	Nil	14,452	208,235
	2016/17	250,000	Nil	93,054	Nil	Nil	9,431	352,485
John Carroll <sup>(4)</sup> Former VP, Trading and Risk Mgmt	2018/19	155,000	Nil	51,222	Nil	Nil	226,664	432,886
	2017/18	250,000	Nil	Nil	50,000	Nil	7,500	307,500
	2016/17	20,833	Nil	30,838	Nil	Nil	Nil	51,671
Glen Goldman <sup>(5)</sup> VP, General Counsel and Corporate Secretary	2018/19	200,000	Nil	5,122	Nil	Nil	5,500	210,622
	2017/18	156,250	Nil	Nil	Nil	Nil	Nil	156,250
	2016/17	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Notes:

- (1) Stock option awards were based on the fair value as of the grant date using the Black-Scholes model with the following parameters: risk-free interest rate, expected volatility, expected dividends, expected life, and exercise price. For purposes of disclosure in this Circular, option-based awards were converted to USD at an exchange rate of C\$1.3094 per \$1 for fiscal 2018/19 C\$1.3130 per \$1 for fiscal 2017/18, and C\$1.2947 per \$1 for fiscal year 2016/17.
- (2) All other compensation includes 401K and ESPP contributions. For purposes of disclosure in this Circular, ESPP contributions were converted to USD at an exchange rate of C\$1.3094 per \$1 for fiscal 2018/19 C\$1.3130 per \$1 for fiscal 2017/18, and C\$1.2947 per \$1 for fiscal year 2016/17.
- (3) Mr. Egbert was appointed as Vice President and Chief Financial Officer of the Corporation effective October 1, 2017. Mr. Egbert's annual base salary is \$260,000. Mr. Kucala was appointed to the position of Treasury, Risk and Process Improvement Manager.
- (4) Mr. Carroll was terminated on January 7, 2019. A severance payment of \$220,833 was made as part of his termination. On October 1, 2018, Mr. Carroll was granted 100,000 tandem SARs, of which 25% vested immediately. On April 5, 2019, Mr. Carroll exercised the 25,000 vested SARs for a cash value of C\$20,750.
- (5) Mr. Goldman was appointed Vice President, General Counsel and Corporate Secretary on May 22, 2018. Mr. Goldman's annual base salary was \$200,000 in fiscal 2017/2018.

## **Incentive Plan Awards**

The following table sets out, for each Named Executive Officer, all incentive plan awards outstanding at June 30, 2019.

<b>Name</b>	<b>Number of securities underlying unexercised options</b>	<b>Option exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (C\$) <sup>(1)</sup></b>
Robert Day	21,236	6.75	6/17/2020	Nil
Robert Day	339,551	5.84	6/30/2021	Nil
Robert Day	187,500	5.84	10/06/2022	Nil
Robert Day	200,000	3.68	10/01/2023	14,000
Mark Kucala	169,775	5.84	6/30/2021	Nil
Kyle Egbert	40,000	5.84	7/10/2022	Nil
Kyle Egbert	150,000	3.68	10/01/2023	10,500
Glen Goldman	10,000	3.68	10/01/2023	700

### **Notes:**

- (1) Intrinsic value of unexercised in-the-money options is calculated for all options regardless of vesting status as at June 30, 2019 based on the closing price of the Common Shares on the TSX of C\$3.96 on June 28, 2019.

## ***Value Vested or Earned During the Year***

The following table sets out, for each Named Executive Officer, information concerning the aggregate dollar value that would have been realized if the option-based or share-based award had been exercised on the vesting date, as well as non-equity incentive plan compensation in Canadian dollar, vested or earned during the 12-month financial year ended June 30, 2019.

<b>Name and principal position</b>	<b>Option-based awards – Value vested during the year(\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Robert Day President & CEO	Nil	Nil	Nil
Kyle Egbert VP & CFO	Nil	Nil	Nil
John Carroll Former VP, Trading & Risk Mgmt	Nil	Nil	Nil
Mark Kucala Former CFO	Nil	Nil	Nil
Glen Goldman Vice President & General Counsel	Nil	Nil	Nil

### **Notes:**

- (1) No option-based awards were in-the-money on their respective vesting dates.

## **Equity Compensation Plan Information**

The following table provides information concerning the Corporation's equity compensation plans as of June 30, 2019.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights  (as at June 30, 2019)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights  (as at June 30, 2019)</b>	<b>Number of securities available for future issuance under equity compensation plans (excluding securities reflected in (a))  (as at June 30, 2019)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	1,830,387 - Options 357,032 - DSUs	C\$5.17 - Options N/A - DSUs	423,612 - Options 182,468 - DSUs
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>1,830,387 - Options 357,032 - DSUs</b>	<b>C\$5.17 - Options N/A - DSUs</b>	<b>423,612 - Options 182,468 - DSUs</b>

### Notes:

- (1) The equity compensation plans of the Corporation consist of the Option Plan and DSU Plan. The ESPP has been amended such that Common Shares purchased under the plan are not purchased from treasury.

## **Termination and Change of Control Benefits**

### ***Robert Day***

Pursuant to the Day Employment Agreement, in the event the Corporation terminates Mr. Day's employment without cause, Mr. Day is entitled to receive salary continuation of six months and target STI plus one additional month for each year of service up to a maximum of eighteen months.

### ***Kyle Egbert***

Pursuant to the employment agreement dated October 1, 2017, in the event the Corporation terminates Mr. Egbert's employment without cause, Mr. Egbert is entitled to receive salary continuation of six months and target STI plus one additional month for each year of service up to a maximum of eighteen months.

### ***Mark Kucala***

Pursuant to an employment agreement with Mr. Kucala, in the event the Corporation terminates Mr. Kucala's employment without cause prior to June 1, 2020, Mr. Kucala is entitled to receive salary continuation equal to the number of months between the termination date and June 1, 2020.

## **Glen Goldman**

Pursuant to an employment agreement dated May 18, 2018, as subsequently amended by letters dated March 12, 2019, and April 5, 2019, between the Corporation and Mr. Goldman, in the event the Corporation terminates Mr. Goldman's employment without cause, Mr. Goldman is entitled to receive salary continuation and benefits of six months plus one additional month for each full year of service, subject to a maximum of six additional months.

### ***Estimated Compensation Payable in the Event of Termination Without Cause***

<b>Name and principal position</b>	<b>Cash Severance (\$)<sup>(1)</sup></b>	<b>Benefits and Prerequisites<sup>(1)</sup></b>
Robert Day President & CEO	537,500	Nil
Kyle Egbert <sup>(2)</sup> Vice President & CFO	319,500	Nil
Mark Kucala <sup>(3)</sup> Former CFO	160,417	Nil
Glen Goldman <sup>(4)</sup> Vice President & General Counsel	116,667	Nil

#### Notes:

- (1) Based on date of termination of June 30, 2019.
- (2) Mr. Egbert was appointed Vice President and CFO on October 1, 2017.
- (3) Mr. Kucala stepped down from the position of CFO on October 1, 2017.
- (4) Mr. Goldman was appointed Vice President & General Counsel on May 22, 2018.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

The Corporation is not aware of any material interest, direct or indirect, of any director or executive officer of the Corporation, any other informed person of the Corporation (as defined in National Instrument 51-102 Continuous Disclosure Obligations), any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since July 1, 2018 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the audited annual financial statements of the Corporation for the financial year ended June 30, 2019, and the auditors' report thereon, and the accompanying management's discussion and analysis. Shareholders may also contact the Corporation to request copies of these documents by mail to 701 Xenia Avenue South, Suite 400, Minneapolis, Minnesota, 55416. Upon request, the Corporation will promptly provide a copy of any such documents free of charge to a shareholder of the Corporation.

**CERTIFICATE**

The contents and the distribution of this Circular have been approved by the Board.

**DATED** at Toronto, Ontario as of October 4, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *Douglas E. Speers*  
Chairman of the Board of Directors

## SCHEDULE A

### CERES GLOBAL AG CORP.

#### RESOLUTION TO APPROVE THE AMENDED AND RESTATED STOCK OPTION PLAN

**WHEREAS** the Board of Directors (the “**Board**”) of Ceres Global Ag Corp. (the “**Corporation**”) has adopted an Amended and Restated Stock Option Plan (the “**Option Plan**”), attached hereto as Schedule A-1, which was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on September 29, 2014 and subsequently amended and restated at the Corporation’s annual and special meeting held on August 6, 2015, to provide for the grant of options to purchase common shares of the Corporation to certain officers, key employees and consultants of the Corporation;

**AND WHEREAS** the Board wishes to amend and restate the Option Plan in the form attached hereto as Schedule A-2 (the “**Amended and Restated Plan**”);

**AND WHEREAS** rules of the Toronto Stock Exchange require that amendments to any security based compensation arrangement, such as the Option Plan, be approved by the listed issuer’s securityholders and by a majority of the listed issuer’s directors;

**AND WHEREAS** the Board has approved the Amended and Restated Plan, subject to shareholder and regulatory approval;

#### **BE IT RESOLVED THAT:**

1. The Amended and Restated Plan, in substantially the form attached hereto as Schedule A-2, be and the same is hereby ratified, confirmed and approved.
2. Any officer or director of the Corporation is hereby authorized and directed on behalf of the Corporation to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution.

**SCHEDULE A-1**

**CERES GLOBAL AG CORP.**

**STOCK OPTION PLAN  
AS AMENDED AND RESTATED  
EFFECTIVE JUNE 15, 2015**



**CERES GLOBAL AG CORP.  
STOCK OPTION PLAN**

1. **Purpose of the Plan**

The purpose of the Plan is to provide certain officers, key employees and Consultants of the Corporation and Subsidiaries of the Corporation with an opportunity to purchase Common Shares and to benefit from the appreciation thereof to provide an increased incentive for these officers, key employees and Consultants to perform their respective duties to the best of their abilities and to devote their business time and efforts to further the growth and development of the Corporation. The Plan is also intended to assist the Corporation in attracting and retaining individuals with the knowledge, experience and expertise required by the Corporation.

2. **Defined Terms**

Where used herein, the following terms shall have the following meanings, respectively, and unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to an include the singular number:

2.1 "Affiliate(s)" shall mean a Parent or Subsidiary of the Company;

2.2 "Applicable Law" means any applicable law, domestic or foreign, including without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments thereunder and the rules of the TSX;

2.3 "Award" means an award of Options or Stock Appreciation Rights granted to a Participant under the Plan;

2.4 "Base Price" means the base dollar amount used to calculate the amount, if any, payable to a Participant with respect to a Common Share subject to a Stand-Alone SAR upon exercise thereof, which base dollar amount shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the grant of the Stand-Alone SAR, subject to adjustment pursuant to Section 9;

2.5 "Blackout Period" means a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Award;

2.6 "Board" means the board of directors of the Corporation;

2.7 "Cause" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan):

- (a) the willful failure of the Participant to properly carry out the Participant's duties or to comply with the rules and policies of the Corporation or any reasonable instruction or directive of the Board, that is not cured, if curable, to the reasonable

satisfaction of the Board, within ten days after the Board or its designee gives written notice thereof to the Participant;

- (b) the Participant acting dishonestly or fraudulently, or the willful misconduct of the Participant, in the course of the Participant's employment, in each case resulting in adverse consequences to the Corporation, which in the case of willful misconduct only, is not cured, if curable to the reasonable satisfaction of the Board, within ten (10) days after the Board or its designee gives written notice thereof to the Participant;
- (c) the conviction of the Participant for, or a guilty plea by the Participant to, any criminal offence punishable by imprisonment that may reasonably be considered to be likely to adversely affect the Corporation or any Affiliate of the Corporation or the suitability of the Participant to perform the Participant's duties, including without limitation any offence involving fraud, theft, embezzlement, forgery, willful misappropriation of funds or property, or other fraudulent or dishonest acts;
- (d) the failure by the Participant to fully comply with and perform the Participant's fiduciary duties; or
- (e) other act, event or circumstance which would constitute just cause at law for termination of the Participant's employment;

2.8 "**Change of Control**" means:

- (a) a successful "take-over bid" (as defined in the *Securities Act* (Ontario), as amended, or any successor legislation thereto) pursuant to which the "offeror" beneficially owns more than 50 percent of the issued and outstanding Common Shares;
- (b) the issuance to or acquisition by any person, or group of persons acting jointly or in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate more than 50 percent of the then issued and outstanding Common Shares;
- (c) an arrangement, amalgamation, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the arrangement, amalgamation, merger or reorganization will hold less than 50 percent of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, amalgamation, merger or reorganization;
- (d) the sale of all or substantially all of the assets of the Corporation; or
- (e) the liquidation, winding-up or dissolution of the Corporation;

Provided, that, with respect to Participants who are United States Taxpayers, to the extent required, the determination of whether a Change of Control has occurred shall be made in accordance with

Code Section 409A and the regulations, notices and other guidance of general applicability issued thereunder;

2.9 "Common Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Section 9 hereof, such other securities to which a Participant may be entitled upon the exercise of an Award as a result of such adjustment;

2.10 "Consultant" has the meaning set forth in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;

2.11 "Corporation" means Ceres Global Ag Corp., and includes any successor corporation thereof;

2.12 "Date of Termination" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan), with respect to any Participant's employment, the date on which the Participant actually ceases to perform services for the Corporation or a Subsidiary of the Corporation, as applicable, without regard to (i) whether such Participant continues thereafter to receive any payment from the Corporation or a Subsidiary of the Corporation, as applicable, in respect of the Termination of such Participant's employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination, or (ii) whether such Participant is entitled or claims to be entitled at law to greater notice of such Termination or greater compensation in lieu thereof than has been received by such Participant; provided, that, with respect to a Participant who is a United States Taxpayer, the Date of Termination shall mean the date on which such Participant incurs a "separation from service" as defined under Code Section 409A;

2.13 "Disability" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan), the inability or unwillingness of the Participant to perform substantially all his or her duties as an employee or Consultant to the Corporation or a Subsidiary of the Corporation, as applicable, by virtue of illness, accident, injury, physical or mental incapacity or any other disability (from any cause or causes whatsoever) in substantially the manner and to the extent required under the terms of his or her employment for a period or periods aggregating at least 180 days (whether or not consecutive) during any 12 consecutive calendar month period, as determined in the discretion of the Board; provided, that, with respect to a Participant who is a United States Taxpayer, the reference to "180 days" in the foregoing shall be deemed to be replaced by "12 months";

2.14 "Effective Date" means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Board determines an Award shall be made and, unless otherwise specified by the Board, the Effective Date will be the date the Board makes an Award;

2.15 "Exercise Price" means, (i) with respect to an Option, the price payable by a Participant to purchase one Common Share on exercise of such Option, which shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the grant of the

Option covering such Common Share, and (ii) with respect to a Tandem SAR, the Exercise Price applicable to the Option to which the Tandem SAR relates, in each such case, subject to adjustment pursuant to Section 9;

2.16 "**Insider**" means insiders of the Corporation as defined in the rules of the TSX Company Manual for the purpose of security-based compensation arrangements;

2.17 "**Incentive Stock Option**" shall mean an option granted pursuant to Section 4 hereof that is intended to satisfy the provisions of Code Section 422, or any successor provision, and the regulations issued thereunder;

2.18 "**Internal Revenue Code**" or "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time;

2.19 "**Market Price**" means, for purposes of the Plan, unless otherwise required by any applicable provision of the Code, any regulations issued thereunder or other applicable law: (i) the weighted average trading price of the Common Shares on the TSX for the five most recent trading days immediately preceding the applicable date; or (ii) if the Common Shares are not traded, listed or otherwise reported or quoted, the Board shall determine in good faith the Market Price in whatever manner it considers appropriate taking into account the requirements of Code Section 409A and any other applicable law. For purposes of the grant of any Award, the applicable date shall be the Effective Date or, if not a day on which the TSX is open, the next trading day. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Board or its designee, as applicable, or, if not a day on which the TSX is open, the next trading day. The Market Price of a Common Share shall be rounded down to the nearest whole cent;

2.20 "**Non-Employee Director**" means any director of the Corporation who is not also an officer, key employee or Consultant of the Corporation;

2.21 "**Nonqualified Stock Option**" shall mean an Option (or portion thereof) that does not qualify as an Incentive Stock Option;

2.22 "**Option**" means an option to purchase Common Shares granted by the Board to certain officers, key employees and Consultants of the Corporation, subject to the provisions contained herein;

2.23 "**Parent**" shall mean any parent corporation of the Company within the meaning of Code Section 424(e), or any successor provision;

2.24 "**Participants**" means those officers, key employees and Consultants of the Corporation to whom Awards are granted and which Awards or a portion thereof remain unexercised; provided, however, that only officers and key employees shall be eligible to receive Incentive Stock Options;

2.25 "**Performance Criteria**" means all such financial and/or personal performance criteria as may be determined by the Board, noting that Performance Criteria may be applied to either the Corporation as a whole or to a business unit or single or group of Subsidiaries, either

individually, alternately or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, provided that the performance period for measurement or achievement of any such Performance Criteria (or incremental element thereof) shall in all events exceed one year;

2.26           **"Person"** means any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity;

2.27           **"Plan"** means this Stock Option Plan of the Corporation, as the same may be amended or varied from time to time;

2.28           **"Restricted Option"** has the meaning set forth in Section 4.5 hereof;

2.29           **"Restricted SAR"** has the meaning set forth in Section 5.9 hereof;

2.30           **"Retirement"** means a retirement of a Participant from employment with the Corporation at age 65 with at least ten years of continuous service, or otherwise as approved by the Corporation;

2.31           **"Stand-Alone SAR"** means a Stock Appreciation Right that is granted on a stand-alone basis;

2.32           **"Stock Appreciation Right"** or **"SAR"** means a right, granted pursuant to Section 5 hereof, representing the right to receive upon the exercise thereof payment, in cash, Common Shares or any combination thereof, as determined by the Board, equal to the excess of the Market Price of one Common Share over the Base Price or Exercise Price, whichever is applicable, on the terms and conditions and calculated in accordance with the provision of Section 5.8 hereof;

2.33           **"Subsidiary"** means a person considered to be a subsidiary entity of another person as described in clause 1.1 of the Ontario Securities Commission's Rule 45-501 – *Ontario Prospectus and Registration Exemptions*; provided, however, that with respect to Incentive Stock Options, **"Subsidiary"** shall mean any subsidiary corporation of the Corporation within the meaning of Code Section 424(f), or any successor provision;

2.34           **"Surrender Offer"** has the meaning set forth in Section 13.1 hereof;

2.35           **"Tandem SAR"** means a Stock Appreciation Right granted in tandem with an Option;

2.36           **"Termination"** (or any derivative thereof) means the termination of a Participant's active employment with the Corporation or any Subsidiary of the Corporation that employs the Participant, whether such termination is lawful or otherwise;

2.37           **"TSX"** means the Toronto Stock Exchange;

2.38 "United States Taxpayer" means an individual who is subject to tax under the Code in respect of any amounts payable or Common Shares deliverable under this Plan; and

2.39 "Vested" (or any applicable derivative term) means, with respect to an Award, that the applicable conditions with respect to continued employment, passage of time, achievement of Performance Criteria and/or any other conditions established by the Board have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

### 3. Administration of the Plan

3.1 The Plan shall be administered by the Board in accordance with its terms. Subject to and consistent with the terms of the Plan, in addition to any authority of the Board specified under any other terms of the Plan, the Board shall have full and complete discretionary authority to:

- (a) interpret the Plan and instruments of grant evidencing Awards;
- (b) prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Awards;
- (c) determine those officers, key employees, Consultants of the Corporation and Subsidiaries of the Corporation who may be granted Awards as Participants, grant one or more Awards to such Participants and approve or authorize the applicable form and terms of the related instrument of grant;
- (d) determine the terms and conditions of Awards granted to any Participant, including, without limitation, (i) the number of Common Shares subject to an Award, (ii) the Exercise Price or Base Price for Common Shares subject to an Award, if applicable, (iii) the conditions to the vesting of an Award or any portion thereof, including, as applicable, the period for achievement of any applicable Performance Criteria as a condition to vesting and the conditions, if any, upon which vesting of any Award or any portion thereof will be waived or accelerated without any further action by the Board, (iv) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (v) the consequences of a Termination with respect to an Award, (vi) the manner of exercise or settlement of the vested portion of an Award, including, for Participants who are not United States Taxpayers, whether an Award shall be settled on a current or deferred basis, (vii) whether and the terms upon which an Award shall be settled in cash, Common Shares or a combination thereof, and (viii) whether and the terms upon which any Common Shares delivered upon exercise or settlement of an Award must be held by a Participant for any specified period of time;
- (e) determine whether and the extent to which any Performance Criteria or other conditions applicable to the vesting of an Award have been satisfied or shall be waived or modified;

- (f) amend the terms of any instrument of grant or other documents evidencing Awards; and
- (g) determine whether, and the extent to which, adjustments shall be made pursuant to Section 9 and the terms of such adjustments.

3.2 All determinations, interpretations, rules, regulations or other act of the Board respecting the Plan or Awards shall be made in its sole discretion and be conclusively binding on all persons.

3.3 The Board may, in its discretion, subject to Applicable Law, delegate its powers, rights and duties under the Plan, in whole or in part, to a committee of the Board, a person or persons, as it may determine, from time to time, on terms and conditions as it may determine, except that the Board shall not, and shall not be permitted to delegate any such powers, rights or duties (i) with respect to the grant, amendment, administration or settlement of any Award to the extent delegation is not consistent with the *Business Corporations Act* (Ontario) and any such purported delegation or action shall not be given effect, and (ii) provided that the composition of the committee of the Board, person or persons, as the case may be, shall comply with Applicable Law. In addition, provided it complies with the foregoing, the Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it.

3.4 Non-Employee Directors are not eligible for the grant of Awards under this Plan. For greater certainty, any Awards granted pursuant to the Plan prior to the Participant becoming a Non-Employee Director shall be unaffected by this Section 3.4.

#### 4. **Options**

4.1 The Corporation may, from time to time, grant one or more Awards of Options to acquire Common Shares to officers, key employees and Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Board shall determine. In granting such Options, subject to the provisions of the Plan, the Corporation shall designate,

- (a) the maximum number of Common Shares which the Participant may purchase under the Option;
- (b) the Exercise Price at which the Participant may purchase his or her Common Shares under the Option, which price shall be determined by the Corporation in accordance with Section 4.2 hereof;
- (c) the term of the Option, to a maximum of ten years from the date of the grant of the Option, the vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant and any other vesting conditions (including Performance Criteria); and
- (d) whether Tandem SARs are granted with respect to all or any such Options.

4.2 The Exercise Price for each Common Share subject to an Option shall be fixed by the Board but under no circumstances shall any Exercise Price be less than 100 percent of the Market Price on the Effective Date of the Award of such Option.

4.3 At the discretion of the Board, the Exercise Price may increase, throughout the period or for any part of the period that the Option or a portion thereof remains unexercised, by an amount per annum fixed by the Board at the time the Option is granted.

4.4 Subject to the provisions of the Plan and the terms of the granting of the Option, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 8 hereof, vested Options or a portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or the Participant's legal personal representative, as the case may be, and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, the number of Common Shares in respect of which the Option is then being exercised and must be accompanied by payment in full of the Exercise Price for the Common Shares which are the subject of the exercise. On the exercise of an Option, any related Tandem SAR shall be cancelled.

4.5 If the normal expiry date of any Option, other than an Incentive Stock Option, falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is ten business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 12.2 hereof.

4.6 Notwithstanding anything in this Plan to the contrary, for Options that are intended to qualify as Incentive Stock Options, the following additional provisions will apply:

- (a) Except as permitted by Code Section 424(a), or any successor provision, the Exercise Price per Common Share shall not be less than one hundred percent (100%) of the per Common Share Market Price on the Effective Date of the Incentive Stock Option; provided, however, that if a Participant owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or of its Parent or any Subsidiary, the Exercise Price per Common Share of an Incentive Stock Option granted to such Participant shall not be less than one hundred ten percent (110%) of the Market Price on the Effective Date of the Incentive Stock Option.
- (b) Except as permitted by Code Section 424(a), in no event shall any Incentive Stock Option be exercisable during a term of more than ten (10) years after the Effective Date of the Incentive Stock Option; provided, however, that if a Participant owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or of its Parent or any Subsidiary, the



Incentive Stock Option granted to such Participant shall be exercisable during a term of not more than five (5) years after the Effective Date.

- (c) The Corporation or its Affiliate shall be entitled to withhold and deduct from any future payments to the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's exercise of an Incentive Stock Option or a "disqualifying disposition" of Common Shares acquired through the exercise of an Incentive Stock Option as defined in Code Section 421(b) or require the Participant to remit an amount sufficient to satisfy such withholding requirements, or any combination thereof.
- (d) Notwithstanding any other provision of the Plan, the aggregate fair market value (determined as of the Effective Date of the Incentive Stock Option) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year under the Plan and any other "incentive stock option" plans of the Corporation or any Affiliate, shall not exceed \$100,000 (or such other amount as may be prescribed by the Code from time to time); provided, however, that if the exercisability or vesting of an Incentive Stock Option is accelerated as permitted under the provisions of the Plan and such acceleration would result in a violation of the limit imposed by this Section 4.6(d), such acceleration shall be of full force and effect but the number of Common Shares that exceed such limit shall be treated as having been granted pursuant to a Nonqualified Stock Option; and provided, further, that the limits imposed by this Section 4.6(d) shall be applied to all outstanding Incentive Stock Options under the Plan and any other "incentive stock option" plans of the Corporation or any Affiliate in chronological order according to the dates of grant.
- (e) The instrument evidencing any Incentive Stock Option shall contain such other limitations and restrictions upon the exercise of the Incentive Stock Option as the Board shall deem necessary to ensure that such Incentive Stock Option will be considered an "incentive stock option" as defined in Code Section 422 or to conform to any change therein.

## 5. **Stock Appreciation Rights**

5.1 The Board may from time to time grant one or more Awards of Stock Appreciation Rights to officers, key employees and Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Board shall determine.

5.2 Tandem SARs may be granted at or after the Effective Date of the related Award of Options, and each Tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the Option to which it relates and the additional terms and conditions set forth in this Section 5.

5.3 On exercise of a Tandem SAR, the related Option shall be cancelled and the Participant shall be entitled to an amount in settlement of such Tandem SAR calculated and in such form as provided in Section 5.8 below.

5.4 Tandem SARs may be exercised only if and to the extent the Options related thereto are then vested and exercisable and shall be exercised in accordance with such procedures as may be established by the Board.

5.5 Stand-Alone SARs granted under the Plan shall become vested at such times, in such installments and subject to the terms and conditions of this Plan (including satisfaction of Performance Criteria and/or continued employment) as may be determined by the Board and set forth in the applicable instrument of grant.

5.6 The Base Price for each Common Share subject to a Stand-Alone SAR shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the Award of such Stand-Alone SAR.

5.7 Unless the Board determines otherwise, Stand-Alone SARs covered by an Award shall, when and to the extent vested, be settled by payment in cash of the amount determined in accordance with Section 5.8.

5.8 Upon exercise thereof and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 8 hereof, Stock Appreciation Rights (and, in the case of Tandem SARs, the related Options) shall be settled by payment or delivery, in cash, or, in the case of Tandem SARs, in Common Shares or a combination of cash and Common Shares, as determined by the Board, of an aggregate amount equal to:

the product of

(A) the excess of the Market Price of a Common Share on the date of exercise over the Exercise Price or Base Price for a Share under the applicable Stock Appreciation Right,

multiplied by

(B) the number of Stock Appreciation Rights exercised.

Any cash payment in settlement of a Stock Appreciation Right shall be payable in Canadian dollars. To the extent any portion of Stock Appreciation Rights are settled in Common Shares, such settlement shall be made by delivery of the greatest whole number of Common Shares having a Market Price on the date of exercise equal to the amount so settled.

5.9 If the normal expiry date of any Stock Appreciation Right falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period (the "**Restricted SAR**"), then the expiry date of such Restricted SARs shall, without any further action, be extended to the date that is ten business days following the end such Blackout Period. The foregoing extension applies to all SARs whatever the date of grant and shall not be considered an extension of the term of the SARs as referred to in Section 12.1 hereof.

6. **Common Shares Subject to the Plan**

6.1 Subject to an adjustment pursuant to Section 9, the aggregate number of Common Shares that may be issued pursuant to the exercise of Awards awarded under the Plan shall not exceed ten percent of the issued and outstanding Common Shares from time to time less the number of common shares reserved for issuance pursuant to the Company's Directors Deferred Share Unit Plan and all other security based compensation arrangements; provided, however, that all Common Shares reserved and available under the Plan shall constitute the maximum aggregate number of Common Shares that may be issued through Incentive Stock Options.

6.2 The aggregate number of Common Shares reserved for issuance to any one Participant under the Plan, together with all other share compensation arrangements of the Corporation, must not exceed five percent of the then outstanding Common Shares (on a non-diluted basis).

6.3 The maximum number of Common Shares of the Corporation issuable to Insiders at any time under all security based compensation arrangements of the Corporation, shall not exceed ten percent of the number of then issued and outstanding Common Shares and the number of Shares issued to Insiders within any one-year period under all security based compensation arrangements of the Corporation may not exceed ten percent of the then issued and outstanding Common Shares.

6.4 For purposes of computing the total number of Common Shares available for grant under the Plan, Common Shares subject to any Award (or any portion thereof) that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance of such Common Shares or that are redeemed shall again be available for grant under the Plan.

7. **Withholding Taxes**

7.1 In addition to any rights of the Corporation or a Subsidiary of the Corporation to withhold taxes and other statutory source deductions under Applicable Law, effective as of the date on which an Award is exercised or otherwise settled through the issuance of Common Shares, the Corporation shall have the right to require the Participant to remit to the Corporation or the Subsidiary of the Corporation, as applicable, an amount sufficient to satisfy any federal, provincial or other law requiring the withholding of tax or other required deductions relating to the delivery of Common Shares. Such withholding obligations may also be accomplished, in whole or in part, by the Corporation requiring the Participant to sell such number of Common Shares as is sufficient to satisfy such withholdings obligations.

8. **Alteration of Capital**

8.1 Notwithstanding any other provision of the Plan in the event of any change in the Common Shares by reason of any dividend (other than dividends in the ordinary course), split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other relevant changes to the authorized or issued capital of the Corporation, if the Board shall determine that an equitable adjustment should be made, such adjustment shall, subject to Applicable Law, be made by the Board to the number of Common Shares subject to the Plan, or securities into which

the Common Shares are changed or are convertible or exchangeable, and to any Options and/or Stock Appreciation Rights then outstanding and in the Exercise Price and/or Base Price, as appropriate in respect of such Options and/or Stock Appreciation Rights and such adjustment shall be conclusive and binding for all purposes of the Plan.

8.2 No adjustment provided for pursuant to Section 9.1 shall require the Corporation to issue fractional shares in satisfaction of its obligations under the Plan. Any fractional interest in a Common Share that would, except for the provisions of this Section 9.2, be deliverable upon the exercise of any Award shall be cancelled and not deliverable by the Corporation.

## 9. **Assignment**

9.1 The Plan shall inure to the benefit of and be binding upon the Corporation, its successors and assigns.

9.2 No Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant's debts, judgments, alimony or separate maintenance.

## 10. **Termination of Employment and Death of a Participant**

10.1 Unless otherwise determined by the Board and except as set forth in Section 11.2, outstanding Awards held by a Participant (or the executors or administrators of such Participant's estate, any person or persons who acquire the right to exercise Awards directly from the Participant by bequest or inheritance under Section 10 hereof) as of the Participant's Date of Termination shall be subject to the following clauses (a) through (e), as applicable; except that, (i) in all events, the period for exercise of Awards shall end no later than the last day of the maximum term thereof established under Section 4.1(c) or 4.1(b), as the case may be, and (ii) unless otherwise determined by the Board, any outstanding Awards that are subject to vesting conditions based in whole or part upon the satisfaction of Performance Criteria and that have not become vested prior to the Participant's Date of Termination shall immediately be cancelled and forfeited and all rights and interests of the holder or beneficiary thereof shall thereupon terminate, in all cases, for no consideration.

- (a) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to Retirement or Disability, (i) those of the Participant's outstanding Awards that have become vested prior to the Participant's Date of Termination shall continue to be exercisable for the balance of their term and (ii) those of the Participant's outstanding Awards that have not become vested prior to the Participant's Date of Termination shall be forfeited and cancelled as of such Date of Termination.
- (b) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to death, (i) those of the Participant's outstanding Awards that have not become vested prior to the Participant's Date of Termination

shall be forfeited and cancelled as of such Date of Termination and (ii) all of the Participant's outstanding Awards shall continue to be exercisable during the period ending on the earlier of (x) the one year anniversary of the Date of Termination, and (ii) the end of the term of the applicable Award.

- (c) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to the Participant's Termination without cause, (i) those of the Participant's outstanding Awards that have not become vested prior to the date on which the Participant receives notice of his or her Termination shall be forfeited and cancelled as of such date, subject to the express requirements of applicable employment standards legislation, and (ii) those of the Participant's outstanding Awards that have become vested prior to the date on which the Participant receives notice of his or her Termination, or such longer period as may be expressly required by applicable employment standards legislation, shall continue to be exercisable during the 90 day period following the Participant's Date of Termination.
- (d) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to the Participant's resignation, (i) those of the Participant's outstanding Awards that have not become vested prior to the date on which the Participant provides notice to the Corporation of his or her resignation shall be forfeited and cancelled as of such date and (ii) those of the Participant's outstanding Awards that have become vested prior to the date on which the Participant provides notice to the Corporation of his or her resignation shall continue to be exercisable during the 30 day period following the Participant's Date of Termination.
- (e) Notwithstanding the foregoing, with respect to any Option that is intended to be an Incentive Stock Option, such Option shall not be exercisable for a period that is longer than (i) three (3) months from the date of the Participant's Termination for any reason other than death or disability (as defined in Code Section 22(e)), or (ii) twelve (12) months from the date of the Participant's Termination due to disability (as defined in Code Section 22(e)).

The Board may, at the time of Termination, extend the period for exercise of Awards, but not beyond the original expiry date, and/or allow for the vesting of Awards during the period for exercise or a portion of it. Awards that are not exercised prior to the expiration of the exercise period following a Participant's Date of Termination permitted under this Section 11.1 shall automatically expire on the last day of such period.

10.2 Notwithstanding any other provision hereof or in any instrument of grant, in the case of a Participant's Termination for cause, any and all then outstanding Awards granted to the Participant, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such Termination is given.

10.3 The Board shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence or disability of any Participant. Without limiting the generality of the foregoing, the Board shall be entitled to determine:

- (a) whether or not any such leave of absence shall constitute a Termination of employment within the meaning of the Plan;
- (b) the impact, if any, of any such leave of absence on Awards issued under the Plan made to any Participant who takes such leave of absence (including, without limitation, whether or not such leave of absence shall cause any Awards to expire and the impact upon the time or times such Awards shall be exercisable);
- (c) with respect to Options that are intended to be Incentive Stock Options, the treatment of any such leave of absence shall comply with Code Section 422 and the regulations issued thereunder.

10.4 The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any Subsidiary, nor does it interfere in any way with the right of the Participant or the Corporation to terminate the Participant's employment at any time.

10.5 Awards shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

## 11. **Amendment or Discontinuance of Plan**

11.1 This Plan and any Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of the shareholders of the Corporation, subject to any required approval of the TSX. Examples of the types of amendments that are not material that the Board is entitled to make without shareholder approval include, without limitation, the following:

- (a) ensuring continuing compliance with applicable law, the rules of the TSX or other applicable stock exchange rules and regulations or accounting or tax rules and regulations;
- (b) amendments of a "housekeeping" nature, which include amendments to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any instrument of grant evidencing an Award in the manner and to the extent it shall deem desirable to carry the Plan into effect;
- (c) changing the vesting provisions of the Plan or any Award;
- (d) waiving any conditions or rights under any Award;
- (e) changing the termination provisions of any Award that does not entail an extension beyond the original expiration date thereof;

- (f) adding a cashless exercise feature payable in securities, where such feature provides for a full deduction of the number of underlying securities from the Plan reserve, and any amendment to a cashless exercise provision;
- (g) adding a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (h) changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Common Shares being purchased, the form of written notice of exercise provided to the Corporation and the place where such payments and notices must be delivered; and
- (i) delegating any or all of the powers of the Board to administer the Plan to a committee of the Board or officers of the Corporation.

11.2 Notwithstanding the foregoing, the Plan or any Award may not be amended without approval by a majority of the votes cast by shareholders of the Corporation present and voting in person or by proxy at a meeting of shareholders of the Corporation to:

- (a) increase the maximum number of Common Shares issuable pursuant to the Plan;
- (b) reduce the Exercise Price of an outstanding Award, including a cancellation of an Award and re-grant within six months of an Award in conjunction therewith constituting a reduction of the Exercise Price of the Award;
- (c) extend the maximum term of any Award granted under the Plan;
- (d) amend the assignment provisions contained in Section 10;
- (e) permit a Non-Employee Director to be eligible for the grant of Awards under the Plan;
- (f) increase the number of Common Shares that may be issued to Insiders above the restriction contained in Section 7.3;
- (g) increase the maximum term of Awards granted under the Plan;
- (h) include other types of equity compensation involving the issuance of Common Shares under the Plan;
- (i) cause Incentive Stock Options to fail to meet the requirements of Code Section 422; or
- (j) amend this Section 12.2 to amend or delete any of (a) through (i) above.

11.3 No amendment to the Plan or Awards granted pursuant to the Plan may be made without the consent of the Participant, if it adversely alters or impairs the rights of any Participant in respect of any Awards previously granted to such Participant under the Plan.

12. **Surrender of Award**

12.1 With respect to Participants who are not United States Taxpayers, the Participant may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the Participant to the Corporation (and the termination thereof) of any of the Awards granted hereunder for an amount (not to exceed fair market value) specified therein by the Participant and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to Applicable Law. If the Surrender Offer, either as made or as renegotiated, is accepted, the Awards in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Participant.

13. **Change of Control**

In the event of a Change of Control of the Corporation or a proposed Change of Control, the Board may:

- (a) irrevocably commute any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days' written notice of its intention to commute the Award, and during such period of notice, the Award, to the extent that it has not been exercised, may, notwithstanding whether such Award is vested or any provisions in this Plan, be exercised by the Participant and on the expiry of such period of notice, the unexercised portion of the Award shall terminate and be cancelled; or
- (b) substitute for any Awards an entitlement to cash or such securities into which Common Shares are changed under a Change of Control or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under option or some other appropriate basis.

Subsections (a) and (b) of this Section 14 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Board to deal with Awards in any other manner.

14. **Regulatory Approval**

Notwithstanding anything herein to the contrary, the Corporation's obligation to issue and deliver Common Shares under any Award is subject to:

- (a) the satisfaction of all requirements under Applicable Law in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.



In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with Applicable Law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.

15. **Participants' Rights**

A Participant shall not have any rights as a shareholder of the Corporation in respect of Common Shares subject to an Award until such Common Shares have been paid for in full and issued.

16. **Governing Law**

The Plan and any Awards granted pursuant to the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Board may provide that any dispute to any Award shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any reference in the Plan in any instrument of grant evidencing Awards granted pursuant to the Plan or in any other agreement or document relating to the Plan to a provision of law or rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

17. **Approval and Termination**

17.1 The Plan, and any amendments to the Plan, shall become effective upon its or their adoption by the Board, provided that any Awards granted prior to the approval of the Plan by the shareholders of the Corporation shall not be exercisable until such shareholder approval has been obtained. With respect to Options that are intended to be Incentive Stock Options, such shareholder approval must be obtained within twelve (12) months before or after the date of the Plan is adopted by the Board, and any Incentive Stock Options granted after adoption of the Plan by the Board shall be treated as Nonqualified Stock Options if shareholder approval is not obtained within such twelve-month period.

17.2 The Plan shall terminate on the date determined by the Board pursuant to Section 12.1 hereof and no Awards may become effective under the Plan after the date of termination, but such termination shall not affect any Awards that became effective pursuant to the Plan prior to such termination. In no event may Incentive Stock Options be granted pursuant to the Plan after the earlier of (i) the date the Board terminates the Plan or (ii) the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan.

18. **Code Section 409A.**

18.1 The Plan is intended to comply with the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Code Section 409A, it shall be paid in a manner that will comply with Code Section 409A, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Code Section 409A shall be deemed to be amended to comply with Code Section 409A and to the extent such provision cannot be amended to comply therewith, such provision shall be null and

void. The Corporation shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Code Section 409A is not so exempt or compliant or for any action taken by the Committee or the Corporation and, in the event that any amount or benefit under the Plan becomes subject to penalties under Code Section 409A, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Corporation. Notwithstanding any contrary provision in the Plan or any instrument of grant evidencing an Award, any payment(s) of "nonqualified deferred compensation" (within the meaning of Code Section 409A) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Code Section 409A) as a result of such employee's "separation from service" (other than a payment that is not subject to Code Section 409A) shall be delayed for the first six months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the instrument of grant evidencing the Award) upon expiration of such delay period.

18.2 Notwithstanding the foregoing, the Corporation does not make any representation to any Participant as to the tax consequences of any Awards made pursuant to this Plan, and the Corporation shall have no liability or other obligation to indemnify or hold harmless the Participant for any tax, additional tax, interest or penalties that the Participant may incur as a result of the grant, vesting, exercise or settlement of an Award under this Plan.

**SCHEDULE A-2**  
**CERES GLOBAL AG CORP.**  
**PROPOSED AMENDED AND RESTATED PLAN**

**EQUITY INCENTIVE PLAN**  
**AS AMENDED AND RESTATED**  
**EFFECTIVE [●], 2019**

**CERES GLOBAL AG CORP.**  
**EQUITY INCENTIVE PLAN**

1. **Purpose of the Plan**

1.1 The purpose of the Plan is to provide certain officers, key employees and Consultants of the Corporation and Subsidiaries of the Corporation with an opportunity to purchase Common Shares and to benefit from the appreciation thereof to provide an increased incentive for these officers, key employees and Consultants to perform their respective duties to the best of their abilities and to devote their business time and efforts to further the growth and development of the Corporation. The Plan is also intended to assist the Corporation in attracting and retaining individuals with the knowledge, experience and expertise required by the Corporation.

2. **Defined Terms**

2.1 Where used herein, the following terms shall have the following meanings, respectively, and unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to an include the singular number:

2.2 "**Affiliate**" shall mean a Parent or Subsidiary of the Corporation;

2.3 "**Applicable Law**" means any applicable law, domestic or foreign, including without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments thereunder and the rules of the TSX;

2.4 "**Award**" means any award of Options, Stock Appreciation Rights and RSUs granted to a Participant under the Plan;

2.5 "**Award Value**" means the dollar amount allocated to an officer, key employee or Consultant of the Corporation in respect of an Award as contemplated by Section 3.

2.6 "**Base Price**" means the base dollar amount used to calculate the amount, if any, payable to a Participant with respect to a Common Share subject to a Stand-Alone SAR upon exercise thereof, which base dollar amount shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the grant of the Stand-Alone SAR, subject to adjustment pursuant to Section 9;

2.7 "**Blackout Period**" means a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Award;

2.8            "**Board**" means the board of directors of the Corporation;

2.9            "**Cause**" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan):

- (a)        the willful failure of the Participant to properly carry out the Participant's duties or to comply with the rules and policies of the Corporation or any reasonable instruction or directive of the Board, that is not cured, if curable, to the reasonable satisfaction of the Board, within ten days after the Board or its designee gives written notice thereof to the Participant;
- (b)        the Participant acting dishonestly or fraudulently, or the willful misconduct of the Participant, in the course of the Participant's employment, in each case resulting in adverse consequences to the Corporation, which in the case of willful misconduct only, is not cured, if curable to the reasonable satisfaction of the Board, within ten (10) days after the Board or its designee gives written notice thereof to the Participant;
- (c)        the conviction of the Participant for, or a guilty plea by the Participant to, any criminal offence punishable by imprisonment that may reasonably be considered to be likely to adversely affect the Corporation or any Affiliate of the Corporation or the suitability of the Participant to perform the Participant's duties, including without limitation any offence involving fraud, theft, embezzlement, forgery, willful misappropriation of funds or property, or other fraudulent or dishonest acts;
- (d)        the failure by the Participant to fully comply with and perform the Participant's fiduciary duties; or
- (e)        other act, event or circumstance which would constitute just cause at law for Termination of the Participant's employment;

2.10          "**Change of Control**" means:

- (a)        a successful "take-over bid" (as defined in the *Securities Act* (Ontario), as amended, or any successor legislation thereto) pursuant to which the "offeror" beneficially owns more than 50 percent of the issued and outstanding Common Shares;
- (b)        the issuance to or acquisition by any person, or group of persons acting jointly or in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate more than 50 percent of the then issued and outstanding Common Shares;
- (c)        an arrangement, amalgamation, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the arrangement, amalgamation, merger or reorganization will hold less than 50 percent of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, amalgamation, merger or reorganization;

- (d) the sale of all or substantially all of the assets of the Corporation; or
- (e) the liquidation, winding-up or dissolution of the Corporation;

Provided, that, with respect to Participants who are United States Taxpayers, to the extent required, the determination of whether a Change of Control has occurred shall be made in accordance with Code Section 409A and the regulations, notices and other guidance of general applicability issued thereunder;

2.11 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time;

2.12 "Common Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Section 9 hereof, such other securities to which a Participant may be entitled upon the exercise of an Award as a result of such adjustment;

2.13 "Consultant" has the meaning set forth in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;

2.14 "Corporation" means Ceres Global Ag Corp., and includes any successor corporation thereof;

2.15 "Date of Termination" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan), with respect to any Participant's employment, the date on which the Participant actually ceases to perform services for the Corporation or a Subsidiary of the Corporation, as applicable, without regard to (i) whether such Participant continues thereafter to receive any payment from the Corporation or a Subsidiary of the Corporation, as applicable, in respect of the Termination of such Participant's employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination, or (ii) whether such Participant is entitled or claims to be entitled at law to greater notice of such Termination or greater compensation in lieu thereof than has been received by such Participant; provided, that, with respect to a Participant who is a United States Taxpayer, the Date of Termination shall mean the date on which such Participant incurs a "separation from service" as defined under Code Section 409A;

2.16 "Disability" means, unless otherwise specified in the Participant's written employment agreement (in which case the definition set forth therein shall apply for the purposes of this Plan), the inability or unwillingness of the Participant to perform substantially all his or her duties as an employee or Consultant to the Corporation or a Subsidiary of the Corporation, as applicable, by virtue of illness, accident, injury, physical or mental incapacity or any other disability (from any cause or causes whatsoever) in substantially the manner and to the extent required under the terms of his or her employment for a period or periods aggregating at least 180 days (whether or not consecutive) during any 12 consecutive calendar month period, as determined in the discretion of the Board; provided, that, with respect to a Participant who is a United States Taxpayer, the reference to "180 days" in the foregoing shall be deemed to be replaced by "12 months";

2.17           **"Effective Date"** means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Board determines an Award shall be made and, unless otherwise specified by the Board, the Effective Date will be the date the Board makes an Award;

2.18           **"Exercise Price"** means, (i) with respect to an Option, the price payable by a Participant to purchase one Common Share on exercise of such Option, which shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the grant of the Option covering such Common Share, and (ii) with respect to a Tandem SAR, the Exercise Price applicable to the Option to which the Tandem SAR relates, in each such case, subject to adjustment pursuant to Section 9;

2.19           **"Incentive Stock Option"** shall mean an option granted pursuant to Section 4 hereof that is intended to satisfy the provisions of Code Section 422, or any successor provision, and the regulations issued thereunder;

2.20           **"Insider"** means insiders of the Corporation as defined in the rules of the TSX Company Manual for the purpose of security-based compensation arrangements;

2.21           **"Market Price"** means, for purposes of the Plan, unless otherwise required by any applicable provision of the Code, any regulations issued thereunder or other Applicable Law: (i) the weighted average trading price of the Common Shares on the TSX for the five most recent trading days immediately preceding the applicable date; or (ii) if the Common Shares are not traded, listed or otherwise reported or quoted, the Board shall determine in good faith the Market Price in whatever manner it considers appropriate taking into account the requirements of Code Section 409A and any other Applicable Law. For purposes of the grant of any Award, the applicable date shall be the Effective Date or, if not a day on which the TSX is open, the next trading day. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Board or its designee, as applicable, or, if not a day on which the TSX is open, the next trading day. The Market Price of a Common Share shall be rounded down to the nearest whole cent;

2.22           **"Non-Employee Director"** means any director of the Corporation who is not also an officer, key employee or Consultant of the Corporation;

2.23           **"Nonqualified Stock Option"** shall mean an Option (or portion thereof) that does not qualify as an Incentive Stock Option;

2.24           **"Option"** means an option to purchase Common Shares granted by the Board to certain officers, key employees and Consultants of the Corporation, subject to the provisions contained herein;

2.25           **"Parent"** shall mean any parent corporation of the Corporation within the meaning of Code Section 424(e), or any successor provision;

2.26           **"Participants"** means those officers, key employees and Consultants of the Corporation to whom Awards are granted and which Awards or a portion thereof remain

unexercised; provided, however, that only officers and key employees shall be eligible to receive Incentive Stock Options;

2.27           **"Performance Criteria"** means all such financial and/or personal performance criteria as may be determined by the Board, noting that Performance Criteria may be applied to either the Corporation as a whole or to a business unit or single or group of Subsidiaries, either individually, alternately or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, provided that the performance period for measurement or achievement of any such Performance Criteria (or incremental element thereof) shall in all events exceed one year;

2.28           **"person"** means any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity;

2.29           **"Plan"** means this Equity Incentive Plan of the Corporation, as the same may be amended or varied from time to time;

2.30           **"Restricted Option"** has the meaning set forth in Section 4.5 hereof;

2.31           **"Restricted SAR"** has the meaning set forth in Section 5.9 hereof;

2.32           **"Retirement"** means a retirement of a Participant from employment with the Corporation at age 65 with at least ten years of continuous service, or otherwise as approved by the Corporation;

2.33           **"RSU"** means a right, granted pursuant to Section 6 hereof, to receive a Common Share, that generally becomes Vested, if at all, following a period of continuous employment of the Participant with the Corporation or an Affiliate;

2.34           **"RSU Account"** has the meaning set forth in Section 6.4 hereof;

2.35           **"Stand-Alone SAR"** means a Stock Appreciation Right that is granted on a stand-alone basis;

2.36           **"Stock Appreciation Right"** or **"SAR"** means a right, granted pursuant to Section 5 hereof, representing the right to receive upon the exercise thereof payment, in cash, Common Shares or any combination thereof, as determined by the Board, equal to the excess of the Market Price of one Common Share over the Base Price or Exercise Price, whichever is applicable, on the terms and conditions and calculated in accordance with the provision of Section 5.8 hereof;

2.37           **"Subsidiary"** means a person considered to be a subsidiary entity of another person as described in clause 1.1 of the Ontario Securities Commission's Rule 45-501 – *Ontario Prospectus and Registration Exemptions*; provided, however, that with respect to Incentive Stock Options, **"Subsidiary"** shall mean any subsidiary corporation of the Corporation within the meaning of Code Section 424(f), or any successor provision;



- 2.38 "Surrender Offer" has the meaning set forth in Section 13.1 hereof;
- 2.39 "Tandem SAR" means a Stock Appreciation Right granted in tandem with an Option;
- 2.40 "Termination" (or any derivative thereof) means the termination of a Participant's active employment with the Corporation or any Subsidiary of the Corporation that employs the Participant, whether such termination is lawful or otherwise;
- 2.41 "TSX" means the Toronto Stock Exchange;
- 2.42 "United States Taxpayer" means an individual who is subject to tax under the Code in respect of any amounts payable or Common Shares deliverable under this Plan;
- 2.43 "Valuation Date" means the date as of which the Market Price is determined for purposes of calculating the number of RSUs included in an Award, which unless otherwise determined by the Board shall be the Effective Date of such Award;
- 2.44 "Vested" (or any applicable derivative term) means, with respect to an Award, that the applicable conditions with respect to continued employment, passage of time, achievement of Performance Criteria and/or any other conditions established by the Board have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations;
- 2.45 "Vesting Date" means the date on which the applicable Performance Criteria and/or any other criteria for an Award becoming Vested are met, deemed to have been met or waived as contemplated in Section 2.43; and
- 2.46 "Vesting Period" means, with respect to an Award of RSUs, the period specified by the Board, commencing on the Effective Date and ending on the last Vesting Date for such RSUs, which, unless otherwise determined by the Board, shall not be later than December 15 of the third year following the year in which the Participant performed the services to which the Award relates.

### 3. Administration of the Plan

3.1 The Plan shall be administered by the Board in accordance with its terms. Subject to and consistent with the terms of the Plan, in addition to any authority of the Board specified under any other terms of the Plan, the Board shall have full and complete discretionary authority to:

- (a) interpret the Plan and instruments of grant evidencing Awards;
- (b) prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Awards;

- (c) determine those officers, key employees, Consultants of the Corporation and Subsidiaries of the Corporation who may be granted Awards as Participants, grant one or more Awards to such Participants and approve or authorize the applicable form and terms of the related instrument of grant;
- (d) determine the terms and conditions of Awards granted to any Participant, including, without limitation, (i) the number of Common Shares subject to an Award, (ii) the Exercise Price or Base Price for Common Shares subject to an Award, if applicable, (iii) the conditions to the vesting of an Award or any portion thereof, including, as applicable, the period for achievement of any applicable Performance Criteria as a condition to vesting and the conditions, if any, upon which vesting of any Award or any portion thereof will be waived or accelerated without any further action by the Board, (iv) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (v) the consequences of a Termination with respect to an Award, (vi) the manner of exercise or settlement of the vested portion of an Award, including, for Participants who are not United States Taxpayers, whether an Award shall be settled on a current or deferred basis, (vii) whether and the terms upon which an Award shall be settled in cash, Common Shares or a combination thereof, and (viii) whether and the terms upon which any Common Shares delivered upon exercise or settlement of an Award must be held by a Participant for any specified period of time;
- (e) determine whether and the extent to which any Performance Criteria or other conditions applicable to the vesting of an Award have been satisfied or shall be waived or modified;
- (f) amend the terms of any instrument of grant or other documents evidencing Awards; and
- (g) determine whether, and the extent to which, adjustments shall be made pursuant to Section 9 and the terms of such adjustments.

3.2 All determinations, interpretations, rules, regulations or other act of the Board respecting the Plan or Awards shall be made in its sole discretion and be conclusively binding on all persons.

3.3 The Board may, in its discretion, subject to Applicable Law, delegate its powers, rights and duties under the Plan, in whole or in part, to a committee of the Board, a person or persons, as it may determine, from time to time, on terms and conditions as it may determine, except that the Board shall not, and shall not be permitted to delegate any such powers, rights or duties (i) with respect to the grant, amendment, administration or settlement of any Award to the extent delegation is not consistent with the *Business Corporations Act* (Ontario) and any such purported delegation or action shall not be given effect, and (ii) provided that the composition of the committee of the Board, person or persons, as the case may be, shall comply with Applicable Law. In addition, provided it complies with the foregoing, the Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it.

3.4 Non-Employee Directors are not eligible for the grant of Awards under this Plan. For greater certainty, any Awards granted pursuant to the Plan prior to the Participant becoming a Non-Employee Director shall be unaffected by this Section 3.4.

#### 4. Options

4.1 The Board may, from time to time, grant one or more Awards of Options to acquire Common Shares to officers, key employees and Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Board shall determine. In granting such Options, subject to the provisions of the Plan, the Corporation shall designate,

- (a) the maximum number of Common Shares which the Participant may purchase under the Option;
- (b) the Exercise Price at which the Participant may purchase his or her Common Shares under the Option, which price shall be determined by the Corporation in accordance with Section 4.2 hereof;
- (c) the term of the Option, to a maximum of ten years from the date of the grant of the Option, the vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant and any other vesting conditions (including Performance Criteria); and
- (d) whether Tandem SARs are granted with respect to all or any such Options.

4.2 The Exercise Price for each Common Share subject to an Option shall be fixed by the Board but under no circumstances shall any Exercise Price be less than 100 percent of the Market Price on the Effective Date of the Award of such Option.

4.3 At the discretion of the Board, the Exercise Price may increase, throughout the period or for any part of the period that the Option or a portion thereof remains unexercised, by an amount per annum fixed by the Board at the time the Option is granted.

4.4 Subject to the provisions of the Plan and the terms of the granting of the Option, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 8 hereof, vested Options or a portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or the Participant's legal personal representative, as the case may be, and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, the number of Common Shares in respect of which the Option is then being exercised and must be accompanied by payment in full of the Exercise Price for the Common Shares which are the subject of the exercise. On the exercise of an Option, any related Tandem SAR shall be cancelled.

4.5 If the normal expiry date of any Option, other than an Incentive Stock Option, falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the expiry date of such Restricted

Options shall, without any further action, be extended to the date that is ten business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 12.2 hereof.

4.6 Notwithstanding anything in this Plan to the contrary, for Options that are intended to qualify as Incentive Stock Options, the following additional provisions will apply:

- (a) Except as permitted by Code Section 424(a), or any successor provision, the Exercise Price per Common Share shall not be less than one hundred percent (100%) of the per Common Share Market Price on the Effective Date of the Incentive Stock Option; provided, however, that if a Participant owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or of its Parent or any Subsidiary, the Exercise Price per Common Share of an Incentive Stock Option granted to such Participant shall not be less than one hundred ten percent (110%) of the Market Price on the Effective Date of the Incentive Stock Option.
- (b) Except as permitted by Code Section 424(a), in no event shall any Incentive Stock Option be exercisable during a term of more than ten (10) years after the Effective Date of the Incentive Stock Option; provided, however, that if a Participant owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or of its Parent or any Subsidiary, the Incentive Stock Option granted to such Participant shall be exercisable during a term of not more than five (5) years after the Effective Date.
- (c) The Corporation or its Affiliate shall be entitled to withhold and deduct from any future payments to the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's exercise of an Incentive Stock Option or a "disqualifying disposition" of Common Shares acquired through the exercise of an Incentive Stock Option as defined in Code Section 421(b) or require the Participant to remit an amount sufficient to satisfy such withholding requirements, or any combination thereof.
- (d) Notwithstanding any other provision of the Plan, the aggregate fair market value (determined as of the Effective Date of the Incentive Stock Option) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year under the Plan and any other "incentive stock option" plans of the Corporation or any Affiliate, shall not exceed \$100,000 (or such other amount as may be prescribed by the Code from time to time); provided, however, that if the exercisability or vesting of an Incentive Stock Option is accelerated as permitted under the provisions of the Plan and such acceleration would result in a violation of the limit imposed by this Section 4.6(d), such acceleration shall be of full force and effect but the number of Common Shares that exceed such limit shall be treated as having been granted pursuant to a Nonqualified Stock Option; and provided, further, that the limits imposed by this Section 4.6(d) shall be applied to all outstanding Incentive Stock Options under the

Plan and any other "incentive stock option" plans of the Corporation or any Affiliate in chronological order according to the dates of grant.

- (e) The instrument evidencing any Incentive Stock Option shall contain such other limitations and restrictions upon the exercise of the Incentive Stock Option as the Board shall deem necessary to ensure that such Incentive Stock Option will be considered an "incentive stock option" as defined in Code Section 422 or to conform to any change therein.

## 5. Stock Appreciation Rights

5.1 The Board may from time to time grant one or more Awards of Stock Appreciation Rights to officers, key employees and Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Board shall determine.

5.2 Tandem SARs may be granted at or after the Effective Date of the related Award of Options, and each Tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the Option to which it relates and the additional terms and conditions set forth in this Section 5.

5.3 On exercise of a Tandem SAR, the related Option shall be cancelled and the Participant shall be entitled to an amount in settlement of such Tandem SAR calculated and in such form as provided in Section 5.8 below.

5.4 Tandem SARs may be exercised only if and to the extent the Options related thereto are then vested and exercisable and shall be exercised in accordance with such procedures as may be established by the Board.

5.5 Stand-Alone SARs granted under the Plan shall become vested at such times, in such installments and subject to the terms and conditions of this Plan (including satisfaction of Performance Criteria and/or continued employment) as may be determined by the Board and set forth in the applicable instrument of grant.

5.6 The Base Price for each Common Share subject to a Stand-Alone SAR shall not be less than 100 percent of the Market Price of a Common Share on the Effective Date of the Award of such Stand-Alone SAR.

5.7 Unless the Board determines otherwise, Stand-Alone SARs covered by an Award shall, when and to the extent vested, be settled by payment in cash of the amount determined in accordance with Section 5.8.

5.8 Upon exercise thereof and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 8 hereof, Stock Appreciation Rights (and, in the case of Tandem SARs, the related Options) shall be settled by payment or delivery, in cash, or, in the case of Tandem SARs, in Common Shares or a combination of cash and Common Shares, as determined by the Board, of an aggregate amount equal to:

the product of

- (A) the excess of the Market Price of a Common Share on the date of exercise over the Exercise Price or Base Price for a Share under the applicable Stock Appreciation Right,

multiplied by

- (B) the number of Stock Appreciation Rights exercised.

Any cash payment in settlement of a Stock Appreciation Right shall be payable in Canadian dollars. To the extent any portion of Stock Appreciation Rights are settled in Common Shares, such settlement shall be made by delivery of the greatest whole number of Common Shares having a Market Price on the date of exercise equal to the amount so settled.

5.9 If the normal expiry date of any Stock Appreciation Right falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period (the "**Restricted SAR**"), then the expiry date of such Restricted SARs shall, without any further action, be extended to the date that is ten business days following the end such Blackout Period. The foregoing extension applies to all SARs whatever the date of grant and shall not be considered an extension of the term of the SARs as referred to in Section 12.1 hereof.

## 6. Restricted Share Units

6.1 The Board may from time to time make one or more Awards of RSUs to officers, key employees and Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Board shall determine.

6.2 The Board shall determine the Award Value and the Valuation Date (if not the Effective Date) for each Award. The number of RSUs to be covered by each Award shall be determined by dividing the Award Value for such Award by the Market Price of a Common Share as at the Valuation Date for such Award, rounded up to the next whole number.

6.3 Each instrument of grant shall set forth, at a minimum, the Effective Date of the Award evidenced thereby, the number of RSUs subject to such Award, the applicable vesting conditions, the applicable vesting period(s) and the treatment of the Award upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan. The Board may include in any instrument of grant terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a Participant including as a condition of the grant or vesting of RSUs.

6.4 An account, called an "**RSU Account**", shall be maintained by the Corporation, or an Affiliate, as specified by the Board, for each Participant who has received an Award of RSUs and will be credited with such notional grants of RSUs as are received by a Participant from time to time pursuant to this Section 6 and any dividend equivalent RSUs pursuant to Section 6.5. RSUs that fail to vest to a Participant and are forfeited, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

6.5 Except as otherwise provided in the instrument of grant relating to a grant of RSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Common Shares to shareholders of record as of a record date occurring during the period from the Effective Date under the instrument of grant to the date of settlement of the RSUs granted thereunder, a number of dividend equivalent RSUs, as the case may be, shall be granted to the Participant who is a party to such instrument of grant. The number of such additional RSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant if the RSUs in the Participant's RSU Account had been Common Shares by the Market Price on the date on which the dividends or distributions were paid on the Common Shares. The additional RSUs granted to a Participant will be subject to the same terms and conditions, including vesting and settlement terms, as the corresponding RSUs.

## 6.6 Vesting and Settlement of RSUs

- 6.6.1 Subject to this Section 6.6, RSUs subject to an Award and dividend equivalent RSUs credited to the Participant's RSU Account in respect of such RSUs shall vest in such proportion(s) and on such Vesting Date(s) as may be specified in the instrument of grant governing such Award provided that the Participant is an officer, key employee or Consultant of the Corporation on the relevant Vesting Date. For greater certainty, a Participant shall not be considered to be an officer, key employee or Consultant of the Corporation on a Vesting Date if, prior to such Vesting Date, such Participant received a payment in lieu of notice of Termination of employment, whether under a contract of employment, as damages or otherwise.
- 6.6.2 A Participant's RSUs, adjusted in accordance with the applicable multiplier, if any, as set out in the instrument of grant, and rounded down to the nearest whole number of RSUs, shall be settled, by a distribution as provided below to the Participant, upon or as soon as reasonably practicable following the vesting thereof in accordance with Section 6.6.1 or 6.6.6, as the case may be, subject to the terms of the applicable instrument of grant. In all events RSUs will be settled on or before the earlier of the ninetieth (90<sup>th</sup>) day following the Vesting Date and the date that is two and one half (2½) months after the end of the year in which vesting occurred. Settlement shall be made by the issuance of one Common Share for each RSU then being settled, subject to payment or other satisfaction of all related withholding obligations in accordance with Section 8.
- 6.6.3 If a Participant's RSUs would, in the absence of this Section 6.6.3 be settled within a Blackout Period applicable to such Participant, such settlement shall be postponed until the earlier of the 6<sup>th</sup> trading day following the end of such Blackout Period and the otherwise applicable date for settlement of the Participant's RSUs as determined in accordance with Section 6.6.2.
- 6.6.4 For greater certainty, a Participant shall have no right to receive Common Shares or a cash payment, as compensation, damages or otherwise, with respect to any RSUs that do not become Vested.

6.6.5 Subject to the terms of a Participant's written employment agreement and unless otherwise determined by the Board, in the event a Participant's employment is terminated for Cause by the Corporation, or an Affiliate, as applicable, or a Participant's employment with the Corporation or an Affiliate Terminates as a result of the Participant's resignation, no RSUs, that have not Vested and been settled prior to the date of the Participant's Termination for Cause or the date on which the Participant submits his/her resignation, as the case may be, including dividend equivalent RSUs in respect of such RSUs, shall vest and all such RSUs shall be forfeited immediately.

6.6.6 Subject to the terms of a Participant's written employment agreement and the relevant instrument of grant, in the event a Participant's employment is terminated by the Corporation, or an Affiliate, as applicable, without Cause, the Participant dies or experiences a Disability prior to the end of a Vesting Period relating to an Award, the number of RSUs determined by the formula  $A \times B/C$ , where

A equals the total number of RSUs relating to such Award that have not previously Vested and dividend equivalent RSUs in respect of such RSUs,

B equals the total number of days between the first day of the Vesting Period relating to such Award and the Participant's date of Termination or death or Disability date, as the case may be, and

C equals total number of days in the Vesting Period relating to such Award,

shall become Vested RSUs on the Participant's date of Termination or death or Disability date, as the case may be.

## 7. **Common Shares Subject to the Plan**

7.1 Subject to an adjustment pursuant to Section 9, the aggregate number of Common Shares that may be issued pursuant to the exercise of Awards awarded under the Plan shall not exceed ten percent of the issued and outstanding Common Shares from time to time less the number of common shares reserved for issuance pursuant to the Corporation's Directors Deferred Share Unit Plan and all other security based compensation arrangements; provided, however, that all Common Shares reserved and available under the Plan shall constitute the maximum aggregate number of Common Shares that may be issued through Incentive Stock Options.

7.2 The aggregate number of Common Shares reserved for issuance to any one Participant under the Plan, together with all other share compensation arrangements of the Corporation, must not exceed five percent of the then outstanding Common Shares (on a non-diluted basis).

7.3 The maximum number of Common Shares of the Corporation issuable to Insiders at any time under all security based compensation arrangements of the Corporation, shall not exceed ten percent of the number of then issued and outstanding Common Shares and the number



of Common Shares issued to Insiders within any one-year period under all security based compensation arrangements of the Corporation may not exceed ten percent of the then issued and outstanding Common Shares.

7.4 For purposes of computing the total number of Common Shares available for grant under the Plan, Common Shares subject to any Award (or any portion thereof) that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance of such Common Shares or that are redeemed shall again be available for grant under the Plan.

## 8. **Withholding Taxes**

8.1 In addition to any rights of the Corporation or a Subsidiary of the Corporation to withhold taxes and other statutory source deductions under Applicable Law, effective as of the date on which an Award is exercised or otherwise settled through payment in cash or the issuance of Common Shares, the Corporation shall have the right to require the Participant to remit to the Corporation or the Subsidiary of the Corporation, as applicable, an amount sufficient to satisfy any federal, provincial or other law requiring the withholding of tax or other required deductions relating to the payment in cash or the delivery of Common Shares. Such withholding obligations may also be accomplished, in whole or in part, by the Corporation requiring the Participant to sell such number of Common Shares as is sufficient to satisfy such withholdings obligations.

## 9. **Alteration of Capital**

9.1 Notwithstanding any other provision of the Plan in the event of any change in the Common Shares by reason of any dividend (other than dividends in the ordinary course), split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other relevant changes to the authorized or issued capital of the Corporation, if the Board shall determine that an equitable adjustment should be made, such adjustment shall, subject to Applicable Law, be made by the Board to (i) the number of Common Shares subject to the Plan; (ii) securities into which the Common Shares are changed or are convertible or exchangeable; (iii) any Options and/or Stock Appreciation Rights then outstanding; (iv) the Exercise Price and/or Base Price, as appropriate in respect of such Options and/or Stock Appreciation Rights; and/or (v) with respect to the number of RSUs outstanding under the Plan, and any such adjustment shall be conclusive and binding for all purposes of the Plan.

9.2 No adjustment provided for pursuant to Section 9.1 shall require the Corporation to issue fractional shares in satisfaction of its obligations under the Plan. Any fractional interest in a Common Share that would, except for the provisions of this Section 9.2, be deliverable upon the exercise of any Award shall be cancelled and not deliverable by the Corporation.

## 10. **Assignment**

10.1 The Plan shall inure to the benefit of and be binding upon the Corporation, its successors and assigns.

10.2 No Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant

other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant's debts, judgments, alimony or separate maintenance.

## 11. **Termination of Employment and Death of a Participant**

11.1 Unless otherwise determined by the Board and except as set forth in Sections 6.6.5, 6.6.6 and 11.2, outstanding Awards held by a Participant (or the executors or administrators of such Participant's estate, any person or persons who acquire the right to exercise Awards directly from the Participant by bequest or inheritance under Section 10 hereof) as of the Participant's Date of Termination shall be subject to the following clauses (a) through (e), as applicable; except that, (i) in all events, the period for exercise of Awards shall end no later than the last day of the maximum term thereof established under Section 4.1(c) or 4.6(b), as the case may be, and (ii) unless otherwise determined by the Board, any outstanding Awards that are subject to vesting conditions based in whole or part upon the satisfaction of Performance Criteria and that have not become vested prior to the Participant's Date of Termination shall immediately be cancelled and forfeited and all rights and interests of the holder or beneficiary thereof shall thereupon terminate, in all cases, for no consideration.

- (a) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to Retirement or Disability, (i) those of the Participant's outstanding Awards that have become vested prior to the Participant's Date of Termination shall continue to be exercisable for the balance of their term and (ii) those of the Participant's outstanding Awards that have not become vested prior to the Participant's Date of Termination shall be forfeited and cancelled as of such Date of Termination.
- (b) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to death, (i) those of the Participant's outstanding Awards that have not become vested prior to the Participant's Date of Termination shall be forfeited and cancelled as of such Date of Termination and (ii) all of the Participant's outstanding Awards shall continue to be exercisable during the period ending on the earlier of (x) the one year anniversary of the Date of Termination, and (y) the end of the term of the applicable Award.
- (c) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to the Participant's Termination without Cause, (i) those of the Participant's outstanding Awards that have not become vested prior to the date on which the Participant receives notice of his or her Termination shall be forfeited and cancelled as of such date, subject to the express requirements of applicable employment standards legislation, and (ii) those of the Participant's outstanding Awards that have become vested prior to the date on which the Participant receives notice of his or her Termination, or such longer period as may be expressly required by applicable employment standards legislation, shall continue to be exercisable during the 90 day period following the Participant's Date of Termination.

- (d) Unless otherwise determined by the Board at the time of grant, in the case of a Participant's Termination due to the Participant's resignation, (i) those of the Participant's outstanding Awards that have not become vested prior to the date on which the Participant provides notice to the Corporation of his or her resignation shall be forfeited and cancelled as of such date and (ii) those of the Participant's outstanding Awards that have become vested prior to the date on which the Participant provides notice to the Corporation of his or her resignation shall continue to be exercisable during the 30 day period following the Participant's Date of Termination.
- (e) Notwithstanding the foregoing, with respect to any Option that is intended to be an Incentive Stock Option, such Option shall not be exercisable for a period that is longer than (i) three (3) months from the date of the Participant's Termination for any reason other than death or disability (as defined in Code Section 22(e)), or (ii) twelve (12) months from the date of the Participant's Termination due to disability (as defined in Code Section 22(e)).

The Board may, at the time of Termination, extend the period for exercise of Awards, but not beyond the original expiry date, and/or allow for the vesting of Awards during the period for exercise or a portion of it. Awards that are not exercised prior to the expiration of the exercise period following a Participant's Date of Termination permitted under this Section 11.1 shall automatically expire on the last day of such period.

11.2 Notwithstanding any other provision hereof or in any instrument of grant, in the case of a Participant's Termination for Cause, any and all then outstanding Awards granted to the Participant, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such Termination is given.

11.3 The Board shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence or disability of any Participant. Without limiting the generality of the foregoing, the Board shall be entitled to determine:

- (a) whether or not any such leave of absence shall constitute a Termination of employment within the meaning of the Plan;
- (b) the impact, if any, of any such leave of absence on Awards issued under the Plan made to any Participant who takes such leave of absence (including, without limitation, whether or not such leave of absence shall cause any Awards to expire and the impact upon the time or times such Awards shall be exercisable);
- (c) with respect to Options that are intended to be Incentive Stock Options, the treatment of any such leave of absence shall comply with Code Section 422 and the regulations issued thereunder.

11.4 The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any Subsidiary, nor does it interfere in any way with the right of the Participant or the Corporation to terminate the Participant's employment at any time.

11.5 Awards shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

## 12. **Amendment or Discontinuance of Plan**

12.1 This Plan and any Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of the shareholders of the Corporation, subject to any required approval of the TSX. Examples of the types of amendments that are not material that the Board is entitled to make without shareholder approval include, without limitation, the following:

- (a) ensuring continuing compliance with Applicable Law, the rules of the TSX or other applicable stock exchange rules and regulations or accounting or tax rules and regulations;
- (b) amendments of a "housekeeping" nature, which include amendments to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any instrument of grant evidencing an Award in the manner and to the extent it shall deem desirable to carry the Plan into effect;
- (c) changing the vesting provisions of the Plan or any Award;
- (d) waiving any conditions or rights under any Award;
- (e) changing the termination provisions of any Award that does not entail an extension beyond the original expiration date thereof;
- (f) adding a cashless exercise feature payable in securities, where such feature provides for a full deduction of the number of underlying securities from the Plan reserve, and any amendment to a cashless exercise provision;
- (g) adding a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (h) changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Common Shares being purchased, the form of written notice of exercise provided to the Corporation and the place where such payments and notices must be delivered; and
- (i) delegating any or all of the powers of the Board to administer the Plan to a committee of the Board or officers of the Corporation.

12.2 Notwithstanding the foregoing, the Plan or any Award may not be amended without approval by a majority of the votes cast by shareholders of the Corporation present and voting in person or by proxy at a meeting of shareholders of the Corporation to:

- (a) increase the maximum number of Common Shares issuable pursuant to the Plan;

- (b) reduce the Exercise Price of an outstanding Award, including a cancellation of an Award and re-grant within six months of an Award in conjunction therewith constituting a reduction of the Exercise Price of the Award;
- (c) extend the maximum term of any Award granted under the Plan;
- (d) amend the assignment provisions contained in Section 10;
- (e) permit a Non-Employee Director to be eligible for the grant of Awards under the Plan;
- (f) increase the number of Common Shares that may be issued to Insiders above the restriction contained in Section 7.3;
- (g) increase the maximum term of Awards granted under the Plan;
- (h) include other types of equity compensation involving the issuance of Common Shares under the Plan;
- (i) cause Incentive Stock Options to fail to meet the requirements of Code Section 422; or
- (j) amend this Section 12.2 to amend or delete any of (a) through (i) above.

12.3 No amendment to the Plan or Awards granted pursuant to the Plan may be made without the consent of the Participant, if it adversely alters or impairs the rights of any Participant in respect of any Awards previously granted to such Participant under the Plan.

### 13. **Surrender of Award**

13.1 With respect to Participants who are not United States Taxpayers, the Participant may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the Participant to the Corporation (and the termination thereof) of any of the Awards granted hereunder for an amount (not to exceed fair market value) specified therein by the Participant and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to Applicable Law. If the Surrender Offer, either as made or as renegotiated, is accepted, the Awards in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Participant.

### 14. **Change of Control**

14.1 In the event of a Change of Control of the Corporation or a proposed Change of Control, the Board may:

- (a) irrevocably commute any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days' written notice of its intention to commute the Award, and during such period of

notice, the Award, to the extent that it has not been exercised, may, notwithstanding whether such Award is vested or any provisions in this Plan, be exercised by the Participant and on the expiry of such period of notice, the unexercised portion of the Award shall terminate and be cancelled; or

- (b) substitute for any Awards an entitlement to cash or such securities into which Common Shares are changed under a Change of Control or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under option or some other appropriate basis.

Subsections (a) and (b) of this Section 14 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Board to deal with Awards in any other manner.

#### 15. **Regulatory Approval**

Notwithstanding anything herein to the contrary, the Corporation's obligation to issue and deliver Common Shares under any Award is subject to:

- (a) the satisfaction of all requirements under Applicable Law in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with Applicable Law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.

#### 16. **Participants' Rights**

16.1 A Participant shall not have any rights as a shareholder of the Corporation in respect of Common Shares subject to an Award until such Common Shares have been paid for in full and issued.

#### 17. **Governing Law**

17.1 The Plan and any Awards granted pursuant to the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Board may provide that any dispute to any Award shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any

reference in the Plan in any instrument of grant evidencing Awards granted pursuant to the Plan or in any other agreement or document relating to the Plan to a provision of law or rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

## 18. **Approval and Termination**

18.1 The Plan, and any amendments to the Plan, shall become effective upon its or their adoption by the Board, provided that any Awards granted prior to the approval of the Plan by the shareholders of the Corporation shall not be exercisable until such shareholder approval has been obtained. With respect to Options that are intended to be Incentive Stock Options, such shareholder approval must be obtained within twelve (12) months before or after the date of the Plan is adopted by the Board, and any Incentive Stock Options granted after adoption of the Plan by the Board shall be treated as Nonqualified Stock Options if shareholder approval is not obtained within such twelve-month period.

18.2 The Plan shall terminate on the date determined by the Board pursuant to Section 12.1 hereof and no Awards may become effective under the Plan after the date of termination, but such termination shall not affect any Awards that became effective pursuant to the Plan prior to such termination. In no event may Incentive Stock Options be granted pursuant to the Plan after the earlier of (i) the date the Board terminates the Plan or (ii) the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan.

## 19. **Code Section 409A.**

19.1 The Plan is intended to comply with the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Code Section 409A, it shall be paid in a manner that will comply with Code Section 409A, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Code Section 409A shall be deemed to be amended to comply with Code Section 409A and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void. The Corporation shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Code Section 409A is not so exempt or compliant or for any action taken by the Committee or the Corporation and, in the event that any amount or benefit under the Plan becomes subject to penalties under Code Section 409A, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Corporation. Notwithstanding any contrary provision in the Plan or any instrument of grant evidencing an Award, any payment(s) of "nonqualified deferred compensation" (within the meaning of Code Section 409A) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Code Section 409A) as a result of such employee's "separation from service" (other than a payment that is not subject to Code Section 409A) shall be delayed for the first six months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the instrument of grant evidencing the Award) upon expiration of such delay period.

19.2 Notwithstanding the foregoing, the Corporation does not make any representation to any Participant as to the tax consequences of any Awards made pursuant to this Plan, and the Corporation shall have no liability or other obligation to indemnify or hold harmless the Participant for any tax, additional tax, interest or penalties that the Participant may incur as a result of the grant, vesting, exercise or settlement of an Award under this Plan.



## EXHIBIT “A”

### **Special Provisions Applicable to Participants Subject to Section 409A of the United States Internal Revenue Code (“Section 409A”) with respect to RSUs**

This Exhibit sets forth special provisions of the Ceres Global Ag Corp. Equity Incentive Plan (the “Plan”) that apply to Participants who are US Taxpayers who are granted RSUs under the Plan. This Exhibit shall apply to such Participants notwithstanding any other provisions of the Plan. Terms defined elsewhere in the Plan and used herein shall have the meanings set forth in the Plan, as may be amended from time to time.

#### **Definitions**

For purposes of this Exhibit:

“**Separation from Service**” means such employment or service with the Corporation and any entity that is to be treated as a single employer with the Corporation for purposes of United States Treasury Regulation Section 1.409A-1(h) terminates such that it is reasonably anticipated that no further services will be performed.

“**Specified Employee**” means a US Taxpayer who meets the definition of “specified employee,” as defined in Section 409A(a)(2)(B)(i) of the Code.

#### **Compliance with Section 409A**

##### **In General**

Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of RSUs shall be deemed to be a separate payment for purposes of Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any Beneficiary) harmless from any or all of such taxes or penalties.

##### **Distributions to Specified Employees**

Solely to the extent required by Section 409A, any payment in respect of RSUs which is subject to Section 409A and which has become payable by reason of a Separation from Service to any Participant who is determined to be a Specified Employee shall not be paid before the date which is six months after such Specified Employee’s Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.

**Amendment of Exhibit**

Subject to Applicable Law, the Board shall retain the power and authority to amend or modify this Exhibit to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

## APPENDIX A

### CERES GLOBAL AG CORP.

#### **MANDATE OF THE BOARD OF DIRECTORS**

##### **I. Introduction**

The term “Corporation” herein shall refer to Ceres Global Ag Corp. and the term “Board” shall refer to the Board of Directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation’s strategic planning and organizational structure and supervising management to oversee that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation as a whole must be paramount at all times.

##### **II. Chairman, Composition and Quorum**

The chairman of the Board will chair Board meetings and shall be 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 individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

The Board shall be composed of a minimum of one member and a maximum of 15 members, and shall be constituted with a majority of individuals who qualify as independent directors, as determined by the Board. The quorum at any meeting of the Board is a majority of directors in office.

##### **III. Duties of Directors**

The Board discharges its responsibility for overseeing the management of the Corporation’s business by delegating to the Corporation’s senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees, namely the Audit and Finance Committee, the Human Resources, Safety and Environment Committee and the Nominating, Governance, Risk and Ethics Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the Board’s primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation’s strategic objectives, principal duties include the following:

###### *Appointment of Management*

1. The Board has the responsibility for approving the appointment of the Chief Executive Officer (the “CEO”) and all other executive officers of the Corporation, and approving any compensation payable to such officers by the Corporation. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
2. The Board may from time to time delegate to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.

3. The Board oversees that succession planning programs are in place, including programs to appoint, train, develop and monitor management of the Corporation.

#### *Board Organization*

4. The Board will respond to recommendations received from the Nominating, Governance, Risk and Ethics Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
5. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board, the conduct of performance evaluations and oversight of internal control systems, but the Board retains its oversight function and is ultimately responsible for these matters and all other delegated responsibilities.

#### *Strategic Planning*

6. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Corporation's business and its objectives and goals.
7. The Board is responsible for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals, and such strategic plans will take into account, among other things, the opportunities and risks of the business.
8. The Board has the responsibility to provide input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

#### *Monitoring of Financial Performance and Other Financial Reporting Matters*

9. The Board is responsible for enhancing congruence between shareholder expectations, corporate plans and management performance.
10. The Board is responsible for:
  - (a) adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation; and
  - (b) taking action when the Corporation's performance falls short of its goals or other special circumstances warrant.
11. The Board shall be responsible for approving the annual audited financial statements, the unaudited interim and quarterly financial statements, and the notes and management's discussion and analysis accompanying such financial statements.
12. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

#### *Risk Management*

13. The Board has responsibility for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such

risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

14. The Board is responsible for the Corporation's internal control and management information systems.

#### *Policies and Procedures*

15. The Board is responsible for:
  - (a) developing the Corporation's approach to corporate governance, including developing a set of corporate governance guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance; and
  - (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
16. The Board enforces its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations.
17. The Board is responsible for monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

#### *Communications and Reporting*

18. The Board has approved, and will revise from time to time as circumstances warrant, a Disclosure Policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
19. The Board is responsible for:
  - (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
  - (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
  - (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
  - (d) reporting annually to shareholders on its stewardship for the preceding year; and
  - (e) overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

#### *Position Descriptions*

20. The Board is responsible for:
  - (a) developing position descriptions for the Chair of the Board, the chair of each Board committee and the CEO (which will include delineating management's responsibilities);
  - (b) approving the corporate goals and objectives that the CEO is responsible for meeting; and

- (c) developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

#### *Orientation and Continuing Education*

21. The Board is responsible for:
- (a) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and
  - (b) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

#### *Nomination of Directors*

22. In connection with the nomination or appointment of individuals as directors, the Board is responsible for:
- (a) considering what competencies and skills the Board, as a whole, should possess;
  - (b) assessing what competencies and skills each existing director possesses; and
  - (c) considering the appropriate size of the Board, with a view to facilitating effective decision making.

In carrying out each of these responsibilities, the Board will consider the advice and input of the Nominating, Governance, Risk and Ethics Committee.

23. Director nominees shall be selected by a majority of the independent directors.

#### *Board Evaluation*

24. The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate and/or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

#### *Annual Review*

25. The Board shall review and reassess the adequacy of this mandate at least annually and otherwise as it deems appropriate. The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities laws or regulatory authorities.