



VILLAGE FARMS INTERNATIONAL, INC.

**COMPENSATION AND CORPORATE
GOVERNANCE COMMITTEE
CHARTER**

**Adopted by the Board of Directors on December 29, 2009
and Effective as of December 31, 2009**

VILLAGE FARMS INTERNATIONAL, INC.
(the “Company”)

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. PURPOSE

The purpose of the Compensation and Corporate Governance Committee (the “Committee”) of the board of directors of the Company (the “Board”) is to discharge the Board’s responsibilities relating to (i) setting compensation of the Company’s Chairperson and Chief Executive Officer (the “CEO”) and other executive officers, (ii) approving annual individual executive officer compensation and other terms of employment, (iii) reviewing and making recommendations to the Board regarding compensation plans and policies of the Company, and (iv) shaping the Company’s approach to corporate governance and recommending to the Board corporate governance principles to be followed by the Company and its subsidiaries. The Committee will fulfill these responsibilities by carrying out the duties enumerated in this Charter.

It is recognized that certain of the Committee’s functions hereunder may be effectively discharged by the Audit Committee of the Board in the course of its activities.

2. RESPONSIBILITY

The Committee is responsible for:

- identifying candidates for membership on the Board;
- assisting in educating directors and assessing their performance on an ongoing basis;
- shaping the Company’s approach to corporate governance and recommending to the Board corporate governance principles to be followed by the Company and its subsidiaries;
- making recommendations to the Board with respect to incentive compensation plans and equity-based plans and approving all awards under such plans, including with respect to the share-based compensation plan (the “Share Plan”) of the Company;
- reviewing and approving all other benefit plans and other perquisites granted to senior management;
- establishing goals and objectives relevant to CEO compensation and has the sole authority to determine the CEO’s compensation level. CEO performance will be evaluated annually by the Committee together with all independent directors of the Company, with regard to documented annual goals and objectives, and the Committee will base CEO compensation decisions on this evaluation. This includes salary and annual incentive and long term incentive compensation, whether stock or cash, as the case may be. Where all or a portion of CEO compensation relates to attainment of the Company’s annual profit plan, the profit targets will be those approved by the full Board;
- reviewing and approving annual proposals by the CEO for compensation, including base salary, incentive awards and other significant terms of employment for key executives (that is, those individuals reporting directly to the CEO and holding a position classified as Senior Vice President or higher);

- reviewing and approving any employment contracts and other significant terms of employment for the CEO and executive officers;
- providing periodic review and recommendations to the Board regarding significant policies and programs proposed by management for compensation, incentives and discretionary benefits for employees of the Company;
- reviewing executive compensation disclosure before the Company publicly discloses this information;
- if applicable, exercising the fiduciary, administrative or other function assigned to the Committee under any of the Company's health, benefit or welfare plans; and
- performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

The Committee recognizes that complete responsibility for compensation, benefits and performance evaluation policy and programs regarding the Company's personnel is divided among the Committee, the independent directors of the Company, the Board, the CEO and the Company's executives.

3. MEMBERS

The Board must appoint a minimum of three directors to be members of the Committee. The members of the Committee shall be selected by the Board. At least two members must be independent.

For the purpose of this Charter, the term "independent" shall have the meaning given to it in National Instrument 52-110 of the Canadian Securities Administrators, as amended from time to time.

4. CHAIRPERSON

The members of the Committee will designate by majority vote one member to serve as chairperson (the "Committee Chair") of the Committee. It will be the responsibility of the Committee Chair to set the meeting agenda and to oversee the overall activities of the Committee as well as to make oral reports of Committee activity to the Board. If, in any year, the Committee Chair is not appointed, the incumbent Committee Chair shall continue in office until a successor is appointed.

5. TENURE

The members of the Committee shall serve one-year terms, and shall be appointed by the Board annually on the day of the annual general meeting of securityholders or on such other date as the Board shall determine. Members of the Committee may be removed or replaced by the Board. Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

6. REMOVAL AND VACANCIES

Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.

7.

DUTIES

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

(a) Board Succession Plan

The Committee has responsibility for determining a Board succession plan.

(b) Establish Director Qualifications

The Committee shall from time to time establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership.

(c) Identify Candidates and Nominate Directors

The Committee shall periodically review and evaluate the size and composition of the Board, and develop and recommend to the Board from time to time a list of candidates for Board membership with a view to maintaining or enhancing the independence and quality of nominees to be elected by the securityholders at the annual general meeting of securityholders. In developing a list of candidates the Committee shall identify the skills and competencies that should be possessed by the Board, assess the skills and competencies possessed by existing directors, and consider the skills and competencies of each candidate. The Committee should also determine if each candidate would be an independent director.

The Committee Chair, with the assistance of the chairperson of the Board (the “Chair of the Board”) and one or more other directors appointed by the Board, should approach candidates for Board membership, with or without the CEO of the Company, to:

- explore the candidates’ interest in joining the Board and seek their consent to act as a director; and
- confirm that interested candidates understand the role of a director and the contribution a director is expected to make, including the commitment of time and energy that the Company expects of its directors.

(d) Recruit Directors for Board Committees and Filling Vacancies

The Committee will recommend to the Board those directors the Committee considers qualified for appointment to the Audit Committee of the Company and the Committee, and those directors considered qualified for any other committees of the Board or the boards of the Company’s subsidiaries. Where a vacancy occurs at any time in the membership of any such committee, the Committee will recommend to the Board a director to fill such vacancy.

(e) Education of Directors

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Company and its subsidiaries and their responsibilities and duties as directors; and

- the Company is responsive to any requests from directors or directors of its subsidiaries for continuing education opportunities.

(f) Performance Assessment of the Board, Board Committees and Individual Directors

The Committee will review on an annual basis the effectiveness of the Board and all committees of the Board, other than this Committee. The effectiveness of this Committee will be reviewed by the Board.

The Committee will evaluate directors on an ongoing basis to assess their suitability for re-election.

(g) Compensation of Board Members

The Committee shall review and recommend to the Board, the compensation to be paid to directors, members and chairs of Board committees.

(h) Develop Approach to Corporate Governance

The Committee has the authority and responsibility to review the Company's overall approach to corporate governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandate of the Board, the charter of the Audit Committee of the Company, this Charter and any other committees of the Board and the Company's subsidiaries and recommend to the Board the adoption of, or amendments to, the mandate and/or charters;
- examine the size of the Board and recommend a Board size that facilitates effective decision-making;
- study and recommend the implementation of structures and procedures to ensure that the Board can function independently of management of the Company's subsidiaries and without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management of the Company present;
- monitor the relationship between officers of the Company's subsidiaries and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Company's subsidiaries;
- be available as a forum for addressing the concerns of individual directors;
- work with the CEO and other members of management of the Company's subsidiaries to ensure that the Company and its subsidiaries, have a healthy corporate governance culture; and
- monitor developments in the area of corporate governance and undertake other initiatives that may be desirable to maintain the highest standards of corporate governance.

(i) Related Party Transactions and Conflicts of Interest

The Committee shall review and approve in advance all material proposed related party transactions and potential conflict of interest situations that are not dealt with by a

“special committee” of “independent directors” pursuant to applicable securities laws and/or stock exchange rules.

(j) Code of Ethics and Whistleblower Policy

The Committee shall:

- develop and present to the Board for approval, a code of ethics and whistleblower policy (the “Code”) that addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Company’s assets, compliance with applicable laws and the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code;
- cause the Code to be posted on the Company’s website; and
- approve any material waivers (only in writing) of the Code that are sought by employees of the Company and its subsidiaries, and, if delegated by the Board, approve any material waivers (only in writing) of the Code that are sought by directors or officers of the Company and its subsidiaries. Any waivers granted will be reviewed by the Board.

(k) Timely Disclosure, Confidentiality and Insider Trading Policy

The Committee shall develop, and present to the Board for approval, policies addressing the timely disclosure of information material to the Company, the confidentiality of undisclosed information that is material to the Company and the prohibitions against trading in securities of the Company and other issuers while in possession of undisclosed information material to the Company or other such issuers.

(l) Executive Succession Planning

The Committee shall review the organizational structure of the Company, consider succession planning for senior executives and recommend policies and principles for the selection and performance review of the senior executives including the CEO, as well as policies regarding succession in the event of an emergency or the retirement of the CEO and for the appointment, training and monitoring of other senior executives.

(m) Incentive Compensation Plans and Equity-Based Plans

The Committee shall:

- make recommendations to the Board with respect to adoption and amendment of executive incentive compensation plans and equity-based plans;
- approve any employment inducement option awards or equity-compensation plans; and
- approve all senior executive incentive bonus plans and all awards under such plans.

(n) Benefit Plans and Perquisites

The Committee shall review and approve all benefit plans, other than incentive compensation plans and equity-based plans dealt with under subparagraph (a) above, designed primarily for the senior executives and any other perquisites granted to senior executives.

(o) Employment Agreements

The Committee shall review and approve the employment agreements entered into between the Company and any subsidiaries and their senior executives.

(p) Assessment and Compensation of the Chief Executive Officer

The Committee shall:

- together with the CEO, review the position description for the CEO, attached as Annex A, which sets out the CEO's authority and responsibilities;
- review and approve the corporate goals and objectives that are relevant to the CEO's compensation; and
- evaluate the CEO's performance in meeting his or her goals and objectives set out in this section.

When determining the long-term incentive component of the CEO's compensation, the Committee shall consider the Company's performance and relative securityholder return, the value of similar incentive awards granted to CEOs of comparable organizations and the awards given to the CEO in prior years.

(q) Compensation of Senior Executives

The Committee shall, after obtaining the recommendation of the CEO, approve the compensation of senior executives. The Committee should assess the compensation in light of the compensation paid to senior executives in comparable organizations.

(r) Executive Compensation Disclosure

The Committee shall review the executive compensation disclosure in proxy circulars and offering documents before their public release.

8. REPORTING

The Committee shall report to the Board on:

- the approval of all senior executive incentive bonus plans;
- the review and approval of the corporate goals and objectives relevant to the CEO's compensation;
- the approval of the compensation of senior executives;
- the effectiveness of the Board and all committees of the Board, other than the Committee;
- the compensation to be paid to directors of the Company and the members and chairpersons of the board committees;
- the preparation of the executive compensation disclosure and the "Statement of Corporate Governance Practices" section of the Company's management information circular;

- all significant items discussed at each Committee meeting at the next meeting of the full Board following that Committee meeting;
- recommended changes to this Charter; and
- all other material matters dealt with by the Committee.

The Committee shall also (i) conduct an annual performance evaluation of the Committee in light of the responsibilities set forth in this Charter and present that to the Board; and (ii) take such further actions or provide such further advice as the full Board may from time to time delegate to or request from the Committee.

The Committee shall also provide reports or otherwise communicate with the Audit Committee of the Company as appropriate.

9. REVIEW AND DISCLOSURE

This Charter shall be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes.

This Charter may also be posted online on the Company's website at the determination of the Committee.

10. COMMITTEE MEETINGS – OPERATING PRINCIPLES

The Committee shall meet with such frequency and at such intervals as the Committee Chair shall determine is necessary to carry out its duties and responsibilities, but in any case, at least once each year.

Meetings of the Committee will be called as needed by the Committee Chair.

The Committee Chair or a designee will preside at all meetings of the Committee. The Committee may meet by telephone or videoconference and may take action by written consent without a meeting.

Minutes of each meeting will be kept and approved by the Committee members and distributed to the entire Board.

The Committee shall have the right to retain compensation consultants to assist in the evaluation of CEO or executive officer compensation, or in performance of its other responsibilities, including the sole authority to approve reasonable consultant's fees and negotiate retention terms in connection therewith. The Company will be responsible for payment of the approved fees to any such consultants retained by the Committee.

The Committee shall have the authority to obtain advice and assistance from any officer or employee of the Company or from any outside legal expert or other advisor.

The Committee may request that members of management or outside consultants and advisors of the Committee be present to assist the Committee in performing its duties.

The Committee may form, and where legally permissible may delegate authority to, subcommittees when the Committee deems it appropriate or desirable to facilitate the operation or administration of its responsibilities. The Committee may enlist assistance

of appropriate Company employees when desirable for the efficient administration of its responsibilities under this Charter.

ANNEX A

Village Farms International, Inc. (the “Company”)

POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER

General

The Chief Executive Officer of the Company (the “CEO”) will be appointed by the board of directors of the Company (the “Board”) and will have the competencies and skills recommended by the Compensation and Corporate Governance Committee of the Company (the “Committee”) and determined by the Board.

The fundamental responsibility of the CEO is the general direction and management of the business and affairs of the Company and its subsidiaries in accordance with the strategy and objectives approved by the Board within the authority limitations delegated by the Board. The CEO provides effective leadership for the Company to meet its stated objectives of providing securityholders with stable and growing monthly cash distributions, while enhancing the long-term value of the Company’s assets and maximizing the value of securities of the Company. With the Chief Financial Officer of the Company (the “CFO”), the CEO sets the tone for fostering ethical and responsible decision making and appropriate management.

Responsibilities

The CEO will:

1. Demonstrate leadership values and integrity in all aspects of managing the Company and its subsidiaries in accordance with the laws of Canada and the United States, as applicable.
2. In conjunction with the Board, develop a multi-year strategic plan and an annual business plan.
3. Provide leadership and vision in setting and implementing the Company’s and its subsidiaries’ strategic objectives and distribution targets, developing and implementing sound operating and financial plans, designing an effective organizational structure, and determining annual operating budgets and resource levels for the Company and its subsidiaries to meet its goals and objectives.
4. Identify business opportunities and plan and direct investigations and negotiations pertaining to capital investments, mergers, joint ventures, material acquisitions of businesses or the sale of major assets, and obtain Board approval of material transactions.
5. Set an operational philosophy that is performance driven, while providing leadership to management in support of the Company’s commitment to its Code of Ethics and Whistleblower Policy.

6. At the discretion of the securityholders of the Company and the Board, serve on the Board.
7. Communicate in a timely, candid and comprehensive fashion with the audit committee of the Company (the "Audit Committee") and, as required, the Board on the progress of the Company towards the achievement of its strategic objectives and business plan.
8. Meet regularly with the chairperson of the Board (the "Chair of the Board") and other Board members to ensure that the Board members are being provided with necessary information and resources to fulfill their responsibilities and statutory obligations.
9. On an ongoing basis, work with the Chair of the Board to develop schedules and agendas of meetings of the Board and its Committees and verify that all items requiring Board and/or Committee approval are appropriately tabled.
10. Serve as chief spokesperson and liaison for the Company, including effectively managing relations with the Company's external stakeholders, such as securityholders, the investment community, the media, governments and the public generally.
11. With the CFO and under the supervision of the Audit Committee:
 - oversee the direction of the Company's tax management and planning;
 - establish and maintain the disclosure controls and procedures of the Company and its subsidiaries through appropriate policies and procedures, including the Company's Disclosure and Insider Trading Policy;
 - identify all significant risks to the Company's business and ensure that procedures are established to mitigate the impact of those risks;
 - ensure the accuracy, completeness, integrity and appropriate disclosure of the Company's financial statements and other financial information through appropriate policies and procedures; and
 - ensure that the Company has complied with all regulatory requirements for the Company's financial information, reporting, disclosure requirements and internal controls over financial reporting.
12. Provide general supervision and management of the day-to-day business affairs of the Company and its subsidiaries within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of management.
13. With the CFO, direct and monitor the activities and resources of the Company, consistent with the strategic direction, financial limits and operating and financial objectives approved by the Board.

14. With the Committee:
 - ensure, through supervision and performance assessment, that the Company and its subsidiaries have an effective senior management team and that there exists a plan of succession and development for the CEO, CFO and senior management;
 - directing the selection and retention of senior management; and
 - develop a compensation and benefit plan for senior management.
15. Provide required regulatory certifications regarding the Company and its subsidiaries' activities.
16. Carry out any other appropriate duties and responsibilities assigned by the Board.