

**VILLAGE FARMS INTERNATIONAL, INC.**

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**COMPENSATION COMMITTEE**

**CHARTER**

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**Adopted by the Board of Directors on April 27, 2023  
and Effective as of May 1, 2023**

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

**COMPENSATION COMMITTEE CHARTER**

**1. PURPOSE**

The purpose of the Compensation 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, Independent Directors, the Chief Executive Officer (the “CEO”) and other executive officers, (ii) approving annual individual executive officer compensation and other terms of employment, and (iii) reviewing and making recommendations to the Board regarding compensation plans and policies of the Company. The Committee will fulfill these responsibilities by carrying out the duties enumerated in this Compensation Committee Charter (the “Charter”).

**2. RESPONSIBILITY**

The Committee is responsible for:

- 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 “Equity Plan”) of the Company;
- reviewing and approving all other benefit plans and other perquisites granted to senior management;
- the appointment, compensation, and oversight of the work of any compensation consultant, legal counsel or any other adviser retained by the Committee;
- establishing goals and objectives relevant to CEO compensation and has the authority to determine the CEO’s compensation level; provided, that the CEO is not present during voting on his or her compensation. 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 (STIP) and long-term incentive compensation (LTIP), whether payable in stock or cash, as the case may be. Where all or a portion of CEO compensation relates to attainment of the Company’s annual performance plan, the budget 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 Executive Vice President or higher, but excluding the CEO);

- reviewing and approving any employment contracts and other significant terms of employment for the CEO and other executive officers; provided, that the CEO is not present during voting on his or her compensation;
- 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;
- providing oversight of policies including clawbacks and the timing of equity-based grants;
- if applicable, exercising the fiduciary, administrative or other function assigned to the Committee under any of the Company’s health, welfare or retirement benefit 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 (except with respect to his or her own compensation) and the Company’s executives (except with respect to their own compensation).

### **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. All of the members of the Committee shall 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.

Each member must also be an “independent director”, as such term is defined under Rule 5605(a)(2) of the Nasdaq Listing Rules.

### **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 be appointed by the board and the members of the Committee shall serve until their successors are duly elected or their earlier resignation or removal. Members of the Committee may be removed or replaced by the Board.

## **6. REMOVAL AND VACANCIES**

Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies on the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all their 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) Compensation of Board Members**

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

### **(b) 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 (STIP) and equity-based plans (including, but not limited to, the Equity Plan);
- approve any employment inducement option awards or other equity-compensation awards; and
- approve all senior executive incentive bonus plans and all awards under such plans.

### **(c) Benefit Plans and Perquisites**

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

### **(d) Employment Agreements**

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

**(e) Assessment and Compensation of the Chief Executive Officer**

The Committee shall:

- review, approve and set the CEO's annual compensation; and
- review, approve and set the corporate goals and objectives that are relevant to the CEO's compensation; and
- evaluate the CEO's performance in meeting his or her applicable performance goals and objectives.

When determining the executive incentive compensation plans (STIP) and long-term incentive (LTIP) components 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.

**(f) Compensation of Other Senior Executives**

The Committee shall, after obtaining the recommendation of the CEO, approve the compensation (both STIP and LTIP) of senior executives (other than the CEO). The Committee should assess the compensation in light of the compensation paid to senior executives in comparable organizations, prior awards, Company performance, the executive's prior experience, the executive's contribution to the Company and other performance measures aligned with the Company's business strategy. The Committee shall approve the compensation of the CEO without any recommendation from the CEO.

**(g) Executive Compensation Disclosure**

The Committee shall review the executive compensation disclosure in proxy statements, annual and other relevant reports and offering documents (as applicable) 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 non-CEO senior executives;
- 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 of the Company's proxy statement for its annual general meeting or for the Company's annual report;
- 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 communicate with the Audit & Risk Management Committee and Corporate Governance & Nominating 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 and as may be required by applicable securities laws and stock exchange rules and regulations.

## **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, in its sole discretion, to retain compensation consultants to assist in the evaluation of CEO or other 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 provide appropriate funding and 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 select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

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.

