



GraceKennedy Limited Policy Document	
Policy	COMPENSATION SUB-COMMITTEE – TERMS OF REFERENCE

1. Mandate

The Compensation Sub-Committee (“the Sub-Committee”) of the Corporate Governance & Nomination Committee (“the Corporate Governance Committee” or “the Committee”) shall discharge the Committee’s responsibilities relating to the Total Compensation (defined as compensation, benefits and perquisites) of the Company's Chief Executive Officer and other Senior Executives in a manner consistent with and in support of the business objectives of the Company, competitive practice, and all applicable rules and regulations.

2. Committee Authority and Responsibilities:

The authority and responsibilities of the Sub-Committee include:

- 2.1 The Committee will approve all aspects of Total Compensation for the Chief Executive Officer of the Company ("CEO"), including, but not limited to:
 - a. A review of corporate and individual goals and objectives relevant to CEO Total Compensation, an evaluation of the CEO's performance relative to those goals and objectives, and a determination of the CEO's Total Compensation level based on this evaluation.
 - b. In determining the long-term incentive component of CEO Total Compensation, the Sub-Committee will consider the Company's performance, relative shareholder return, the value of long-term incentive compensation given to CEO's at comparable companies, and the awards given to the CEO in past years.
- 2.2 The Sub-Committee will review and approve proposals made by the CEO with regard to the Total Compensation of Senior Executives of the Company and the overall policy or strategy for compensation within the Group.

- 2.3 When fulfilling its responsibilities under Items 2.1 and 2.2 above, the SubCommittee will consider the Total Compensation of all levels of employees within the Group, in order to provide an appropriate context for making decisions at the Senior Executive levels.
- 2.4 The Sub-Committee will make recommendations to the Corporate Governance & Nomination Committee and the Board with respect to incentive compensation and equity-based incentive plans that require shareholder approval, and will govern the Company's shareholder approved award and options plan(s) including stock options granted to employees and directors of the Company and Group. The plan governance role of the Committee will include the authority to adopt, administer, approve, and ratify awards, including amendments to the awards made under any such plans, and the review and monitoring of awards under such plans.
- 2.5 The Sub-Committee will review and recommend the adoption of significant Benefits Plans and changes to Benefits Plans to the Board of Directors.
- 2.6 Such other duties and responsibilities as may be assigned to the Sub-Committee, from time to time, by The Corporate Governance Committee..

3. *Membership:*

Members of the Sub-Committee shall be appointed from time to time by the Corporate Governance Committee from among its numbers

4. *Composition:*

The Sub-Committee shall consist of a maximum of five Directors none of whom shall be officers or employees of the Company or any of its subsidiaries.

5. *Chair:*

A Sub-Committee Chair will be designated by the Corporate Governance Committee. In his or her absence, the members of the Sub-Committee shall elect a Chair for the meeting.

6. *Quorum*

Three members of the Sub-Committee shall constitute a quorum. If there is no quorum present at any meeting of the Sub-Committee, any Director or Directors of the Company who are not officers or employees of the Company or any of its subsidiaries and who is or are requested by the Chair of the Corporate Governance Committee to attend such meeting shall have the right to attend and shall thereupon be a member or members of the Sub-Committee for the purpose of such meeting.

7. *Vacancies*

Vacancies may from time to time be filled for the remainder of the term of the Sub-Committee by the Board, subject to the requirements under the heading "Composition" above.

8. *Authority*

The Sub-Committee is authorized to from time to time obtain outside legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings if it considers this to be necessary.

9. *Annual Review of the Terms of Reference:*

The Sub-Committee Terms of Reference shall be reviewed at least annually and revised as appropriate.

10. *Reports to the Corporate Governance Committee:*

The Sub-Committee Secretary shall circulate the minutes of meetings of the SubCommittee to all members of the Corporate Governance Committee.

11. *Meetings of the Sub-Committee*

Meetings of the Sub-Committee may be called by the Chair of the SubCommittee or by any two Sub-Committee members.