



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 Group Chief Executive Officer, Senior Executives and the remuneration of the directors of GraceKennedy Limited and its subsidiaries (the Company) 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 Sub-Committee will approve all aspects of Total Compensation for the Group 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 CEOs at comparable companies, the awards given to the CEO in past years.
 - c. In determining the Total Compensation of the CEO the Sub-Committee will also consider the Company’s remuneration and related policies and alignment to culture.

- 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.
- 2.3 The Sub-Committee will review and approve the overall strategy for compensation within the Company. The Sub-Committee will review and approve remuneration and related policies, the remuneration structures and schemes and the alignment of incentives and rewards with culture, taking these and the strategy for compensation into account when setting the policy for Executive Director remuneration. When fulfilling its responsibilities under Items 2.1 and 2.2 above, the Sub-Committee will consider the Total Compensation of all levels of employees within the Group, and the remuneration and related policies in order to provide an appropriate context for making decisions at the Senior Executive levels.
- 2.4 The Sub-Committee will, on a recommendation made by the Group CEO supported by the Group CFO, make recommendations to the Corporate Governance & Nomination Committee and the Board with respect to the remuneration of the Directors of the Company.
- 2.5 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 Sub-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.
- 2.6 The Sub-Committee will review and recommend the adoption of significant benefits plans and changes to benefits plans to the Board of Directors.
- 2.7 Such other duties and responsibilities as may be assigned to the Sub-Committee, from time to time, by the Corporate Governance & Nomination Committee.

3. ***Membership:***

Members of the Sub-Committee shall be appointed from time to time by the Corporate Governance & Nomination Committee from among its numbers. The members of the Sub-Committee shall collectively have sufficient qualifications and experience to fulfil their duties.

4. ***Composition:***

The Sub-Committee shall consist of a maximum of five non-executive directors the majority of whom should be independent.

5. ***Chair:***

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

6. ***Quorum***

Fifty percent (50%) of the 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 & Nomination 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. ***Conflicts of Interest***

The Sub-Committee must recognise and manage any conflicts of interests that may arise in the discharge of its responsibilities. If a conflict of interest exists Sub-Committee members must immediately declare this so that appropriate action can be taken to resolve the situation. If the conflict arises during a meeting or in the course of the Sub-Committee making a decision on any matter, the Sub-Committee member should declare the interest and take no part in the discussion or the decision. The Sub-Committee member should also withdraw from the meeting unless the Sub-Committee agrees that the Sub-Committee member should do otherwise.

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 third party professionals 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 & Nomination Committee:

The Sub-Committee’s Chair shall provide a report to all members of the Corporate Governance & Nomination Committee, at least once per year.

11. Meetings of the Sub-Committee

The Sub-Committee shall meet at least twice per year. Meetings of the Sub-Committee may be called by the Chair of the Sub-Committee or by any two Sub-Committee members and may be held in person or by electronic means.

POLICY HISTORY	DATES			
	VERSION	RELEASED	REAFFIRMED	REVISED
1	April 29, 2004		July 29, 2009	COMPENSATION COMMITTEE - TERMS OF REFERENCE 29 April 2004.pdf
2	July 29, 2009	February 27, 2019	February 24, 2021	
	February 24, 201			