



GraceKennedy Limited Policy Document	
Policy	<b>CORPORATE GOVERNANCE &amp; NOMINATION COMMITTEE TERMS OF REFERENCE</b>

## 1. Mandate

The Corporate Governance & Nomination Committee shall assist the Board in:

- (i) Enhancing the Company's system of corporate governance by establishing, monitoring and reviewing the principles of good governance with which the Company including its directors will comply.
- (ii) Promoting high standards of corporate governance based on the principles of openness, integrity and accountability taking into account the Company's existing legal and regulatory requirements.
- (iii) Promoting Corporate Governance best practices within the GraceKennedy Group, keeping the effectiveness of the corporate governance systems of the Company and its Group under regular review and making recommendations to the Board in respect of the implementation of policies and guidelines to facilitate such best practices.
- (iv) Establishing such procedures, policies and codes of conduct to meet these aims as it considers appropriate from time to time.
- (v) Identifying individuals qualified to become directors and recommending to the Board the candidates for appointment or reappointment to all directorships to be filled by the Board of Directors or by the shareholders.
- (vi) Recommending to the Board of Directors candidates for appointment or reappointment to membership on Board committees.
- (vii) Recommending to the GraceKennedy Board candidates for consideration for appointment to the Boards of subsidiary companies to facilitate the Board's recommendation of the same.
- (viii) Leading the Board of Directors in its annual review of the Board's performance and the performance of individual directors.
- (ix) Ensuring that the levels of remuneration of the Board of Directors and the Total Compensation (defined as compensation, benefits and perquisites) of the Company's Chief Executive Officer and other Senior Executives are:
  - sufficient to attract, retain and motivate persons of the quality required to run the Company successfully,

- support the Company strategy and promote the long-term sustainable success of the Company.

This function is to be discharged in accordance with all applicable rules and regulations through a Compensation Sub-Committee comprising of members designated by the Committee with Terms of Reference as approved by the Committee.

## **2. Composition**

The Committee shall be appointed by the Board and comprise of only non-executive directors the majority of whom should be independent.

## **3. Responsibilities**

The duties of the Committee shall be:

- (i) To develop and recommend to the Board for adoption a set of corporate governance guidelines as may be deemed necessary by the Committee to ensure that the Company effectively protects and enhances its shareholder value.
- (ii) To review within the specified timeframes, the company's Corporate Governance Policies and Guidelines and to recommend any proposed changes to the Board for approval.
- (iii) To review periodically but at least annually and make recommendations to the Board on issues regarding the Company's conduct of its business as a responsible corporate citizen.
- (iv) To keep under review legislative and regulatory developments in relation to corporate governance issues that might affect the Company's operations.
- (v) To review conflicts or potential conflicts of interest involving directors of the Company and make recommendations in respect thereof to the Board.
- (vi) To undertake responsibility for the nomination of new Directors and review of the existing Board of Directors as follows:
  - (i) to consider and make representations to the Board on its composition and balance. Factors for consideration shall include but not be restricted to the:
    - total number of directors;
    - mix of executive and non-executive directors;
    - length of service of directors;
    - skill, mix and industry experience of directors;
    - responsibilities of specific directors;
    - performance of each director;
    - significant time commitments of directors and their ability to discharge their duties as director;

- proximity to the retirement age stated in the company's articles;
  - ability to serve for a minimum number of three (3) years; and
  - scope and mix of outside experience brought to the Board.
- (ii) To identify, review and recommend candidates for potential appointment or reappointment as directors (both executive and non-executive) of the Company; and
- (iii) To identify, review and recommend potential candidates for appointment or reappointment as directors of subsidiaries; and
- (iv) To review, at regular intervals and at least once a year, the Company's succession plan in respect of Directors of the Company and senior executive positions within the Group and oversee the development of a diverse pipeline for succession.
- (vii) To ensure that the Directors participate in training opportunities to equip them with the knowledge and skills required to fulfil their role both on the Board and on, Board Committees.
- (viii) To undertake such additional activities within the scope of its functions as the Committee may from time to time determine or as may otherwise be required by law, the Company's charter, or directive of the Board.

#### **4. Chair**

The Chair of the Committee shall be appointed by the Board. In the absence of the Chair, the members of the Committee shall elect a Chair for the meeting.

#### **5. Secretary**

All directors should have access to the impartial advice and services of the company secretary who is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. Under the direction of the chairman the company secretary's responsibilities include facilitating induction and professional development, ensuring good information flows within the Board, its Committees and between non-executive directors and senior management.

#### **6. Frequency of meetings**

The Chair of the Committee may convene meetings of the Committee at any time to consider any matter falling within these terms of reference. The Committee shall meet at regular intervals at least three times a year.

#### **7. Quorum**

The quorum for meetings shall be forty five percent (45%) of the members.

**8. Authority**

- i) The Committee may form and delegate authority to sub-committees of its members when appropriate.
- ii) The 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 Committee Terms of Reference shall be reviewed at least annually and recommendations made to the Board for revision as appropriate.

**10. Reports to the Board of Directors**

The Committee Chair will report to the Board, from time to time, on the Committee's deliberations, as may be appropriate. The company secretary shall circulate the minutes or extracts thereof of meetings of the Committee and its sub-committees to all members of the Board where so instructed by the Committee.

**11. Convening of Meetings**

Meetings of the Committee may be called by the Chair of the Committee or at the request of any two members of the Committee.