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

1. Mandate

The Compensation Sub-Committee (“the Sub-Committee”) of the Corporate Governance & Nomination Committee (“the Committee”) shall discharge the Committee’s responsibilities relating to the Total Compensation (defined as compensation, benefits and perquisites) of the Chief Executive Officer, 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 chief executive of the Company, including, but not limited to:

(i) A review of corporate and individual goals and objectives relevant to the chief executive’s Total Compensation, an evaluation of the chief executive’s performance relative to those goals and objectives, and a determination of the chief executive’s Total Compensation level based on this evaluation.

(ii) In determining the long-term incentive component of the chief executive’s Total Compensation, the Sub-Committee will consider the Company's performance, relative shareholder return, the value of long-term incentive compensation given to chief executives at comparable companies and the awards given to the chief executive in past years.

(iii) In determining the Total Compensation of the chief executive, the Sub-Committee will also consider the Company’s remuneration and related policies and alignment of incentives and rewards to culture.

2.2 The Sub-Committee will review and approve proposals made by the chief executive with regard to the Total Compensation of senior executives of the Company.

2.3 When fulfilling its responsibilities under Items 2.1 and 2.2 above, the Sub-Committee will consider the Group's philosophy and guidelines for Total Compensation.

2.4 The Sub-Committee will, by virtue of the authority delegated to it by the Company in general meetings, on a recommendation made by the chief executive and supported by the chief financial officer, determine 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 grants and stock options to employees and directors of the Company. 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 appointed 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.

7. Conflicts of Interest

The Sub-Committee must recognise and manage any conflicts of interest 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 their interest and take no part in the discussion or the decision. The Sub-Committee member should also withdraw from the meeting unless the other Sub-Committee members agree that the Sub-Committee member should do otherwise.

8. Authority

The Sub-Committee is authorised to obtain from time to time 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. Reports to the Corporate Governance & Nomination Committee

The Sub-Committee Chair will report to the Corporate Governance & Nomination Committee and/or the Board, from time to time, on the Sub-Committee's deliberations, as may be appropriate.

10. Convening of Meetings

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

11. Frequency and Format of Meetings

The Sub-Committee shall meet at least twice per year. Meetings may be held in person, by electronic means or in a hybrid format.

12. Review of Terms of Reference

The Sub-Committee Terms of Reference shall be reviewed at least annually and revised, and recommendations made to the Corporate Governance & Nomination Committee as appropriate.