



GraceKennedy Limited Policy	
Policy	<i>CORPORATE GOVERNANCE CODE (“THE CODE”)</i>

1. **INTRODUCTION**

The following Corporate Governance principles were compiled with reference to regional and international standards for effective corporate governance and were adopted by the Board of Directors of GraceKennedy Limited (“the Company”)¹.

2. **SCOPE**

The Corporate Governance principles set out in this Code shall apply to GraceKennedy Limited and its wholly owned subsidiaries”), as may be applicable.

3. **BOARD LEADERSHIP AND COMPANY PURPOSE**

3.1 **Main Principle:**

The Company shall be led by an effective and entrepreneurial Board, which is collectively responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and positively contributing to the wider society.

3.2 **Code provisions:**

3.2.1 The Board’s role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should set the Company’s strategic aims and monitor their achievement, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board should set the Company’s values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met through communication and engagement with those groups. The Board should establish the Company’s vision and mission and satisfy itself that these and the Company’s values, strategy and corporate culture are aligned

3.2.2 The values set by the Board should include the promotion of respect, honesty, integrity, trust, fairness and responsible behaviour by the Company in relation to its employees, customers, suppliers,

¹ UK Corporate Governance Code 2024, Private Sector Organization of Jamaica’s (PSOJ) Code on Corporate Governance, the PSOJ’s ‘Navigating Corporate Governance’, a Comprehensive Handbook & Toolkit, Corporate Governance Guidelines set out in the Jamaica Stock Exchange Rules

shareholders and all other stakeholders, as well as the wider community. This must include measures to promote the wellbeing and development of the Company's employees and the communities in which the Company operates globally and extends to the promotion of responsible behaviour by the Company and its employees for the protection of the environment. The Board should ensure that the Board approved policies and practices are consistent with the Company's values and support its long-term sustainable success. The Board should facilitate employees and other stakeholders raising any matters of concern.

- 3.2.3 The Board should meet at least quarterly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision.
- 3.2.4 Directors are required to attend Board and assigned Board committee meetings regularly and to prepare for and participate actively in meetings.
- 3.2.5 At least quarterly, the Chairman should hold meetings with the non-executive Directors without the executive Directors being present.
- 3.2.6 All Directors must act honestly and in good faith, taking decisions objectively in the best interest of the Company. In fulfilling their duties, Directors must apply the level of care, diligence, and skill, reasonably expected of someone in their position. They must proactively avoid conflicts of interest and, where unavoidable, disclose them promptly in accordance with established policies and procedures. All disclosed conflicts must be managed transparently and in a manner that ensures the Director's primary duty to the Company remains paramount and uncompromised.
- 3.2.7 Non-executive Directors should constructively challenge and help develop proposals on strategy. Non-executive Directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- 3.2.8 Where Directors have concerns, which cannot be resolved, about the running of the Company or a proposed action, they should ensure that their concerns are recorded in the Board minutes. Where a Director resigns because of such concerns, a written statement should be provided to the Chairman by the Director for circulation to the Board.

3.2.9 A written statement should be provided to the Chairman by the Company Secretary of the Board for circulation to the Board, setting the reasons for a director's resignation when such resignation is for reasons other than unresolved concerns.

3.2.10 The Company should arrange appropriate insurance cover against liability incurred by Directors in the proper discharge of their duties as Directors. The Directors are to be advised on an annual basis that insurance coverage is in place.

4. DIVISION OF RESPONSIBILITIES - CHAIRMAN & CHIEF EXECUTIVE OFFICER

4.1 Main Principle:

There should be a clear division of responsibilities at the head of the Company between the running of the Board (the Chairman) and the executive responsibility for the running of the Company's business (the chief executive officer). No individual should have unfettered powers of decision.

4.2 Code Provisions:

4.2.1 The division of responsibilities between the Chairman and chief executive officer should be clearly established.

4.2.2 The Chairman is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman should ensure effective communication with the Company's management and shareholders. The Chairman should also facilitate the effective contribution of non-executive Directors and ensure constructive relations between executive and non-executive Directors.

4.2.3 The chief executive officer is responsible for the day-to-day management of the Company, and reports to the Board on the Company's performance.

4.2.4 Where the Chairman of the Board is not independent; the Board should appoint one of the independent non-executive Directors to be the senior independent director (where there is one), to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary.

4.2.5 The Annual Report should identify the Chairman, the chief executive officer, the senior independent director (if any) and the chairs and members of all committees of the Board.

5. BOARD COMPOSITION, BALANCE AND INDEPENDENCE

5.1 Main Principle:

The Board should include a balance of non-executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions. Non-executive Directors should comprise not less than one-half of the Board.

5.2 Code Provisions:

5.2.1 The Board should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and that changes to the Board's composition can be managed without undue disruption bearing also in mind the composition requirements for Board committees.

5.2.2 All Directors should bring an independent judgment to bear on issues of strategy, performance, financial and non-financial resources, including key appointments and standards of conduct.

5.2.3 There should be a strong and independent non-executive element on the Board, and where the Board deems this necessary, there should be a recognised senior member identified, other than the Chairman, to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary.

5.2.4 An independent Director is a director who is free from any business or other relationship which could materially interfere with the exercise of their independent judgment such as where the Director:

- (i) has been an employee of any Company in the Group within the last three years,
- (ii) has, or has had within the last three years, a material business relationship with the Company either directly, or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Company,
- (iii) has received or receives additional remuneration from the Company (apart from a Director's compensation) or has participated or participates in the Company's performance-related pay scheme within the last three years,
- (iv) or the Director's spouse, child or dependent is one of the Company's advisers, Directors or senior employees, holds numerous cross-directorships or has significant links with other directors through involvement in other companies or bodies,
- (v) represents a significant shareholder or has a significant

shareholding.

- 5.2.5 At least half the Board, excluding the Chairman, should comprise independent non-executive Directors.
- 5.2.6 The Board should identify in the Annual Report each non-executive Director it considers to be independent. The Board should determine whether the Director is independent and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Board should state its reasons if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination.
- 5.2.7 The Board through its Corporate Governance & Nomination Committee ("the CGNC") shall, at least annually, review the disclosure of interests of directors and other relevant information to assess the independence of each non-executive Director. To support this process, each non-executive Director must disclose their interests annually and advise of any changes in between the annual disclosures.

6. APPOINTMENTS TO THE BOARD

6.1 Main Principle:

There should be a formal, rigorous and transparent procedure for the appointment of Directors to the Board.

6.2 Code Provisions:

- 6.2.1 The Corporate Governance & Nomination Committee should lead the process for Board appointments and make recommendations to the Board. All non-executive Directors shall be members of the CGNC and be appointed as members at the same time that they are appointed to the Board. An independent non- executive director, who should ideally not be the Board Chairman, should chair the committee, and the Board Chairman should not chair the CGNC or participate in the voting process when the CGNC is dealing with the appointment of a successor to the chairmanship of the Board.
- 6.2.2 The search for prospective directors and subsequent appointments should be based on merit, evaluated against objective criteria and with due regard for the skillsets necessary for an effective Board and the benefits of diversity within its membership. The Board should comprise of a minimum of 30% males and 30% females.
- 6.2.3 Before making a recommendation for appointment, the CGNC should

evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, identify the key attributes required of the prospective director.

- 6.2.4 The material interests, commitments, and potential areas of conflict of prospective directors should be disclosed to the CGNC. When the CGNC considers an appointment, these disclosures will be considered in determining whether the prospective director has the required interest and ability to serve and can dedicate the required time and attention to the role and responsibilities of a director.
- 6.2.5 The CGNC should satisfy itself that plans are in place for orderly succession of appointments to the Board and to senior management², to maintain an appropriate balance of skills and experience within the Company and on the Board. The succession plan should include policies and principles regarding succession in the event of an emergency or the retirement of the chief executive officer.

7. COMMUNICATION OF INFORMATION AND DIRECTOR TRAINING

7.1 Main Principle:

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. New Directors should receive a comprehensive induction to the Company's affairs on joining the Board and all Directors should continually update and refresh their skills and knowledge.

7.2 Code Provisions:

- 7.2.1 The Chairman is responsible for ensuring that the Directors receive accurate, timely and clear information to support effective decision-making. To the extent possible, this should be facilitated using secure and reliable communication channels and available technology. Management has an obligation to provide such information, but Directors should seek clarification or amplification where necessary.
- 7.2.2 There should be a procedure agreed by the Board for individual Directors in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.
- 7.2.3 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

² 'Senior management' for the purpose of the Code means the executive committee or the first layer of management below board level, including the company secretary.

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.

- 7.2.4 Both the appointment and the removal of the Company Secretary should be a matter for the Board as a whole.
- 7.2.5 The Chairman should ensure that new Directors receive a full, formal and tailored induction on joining the Board. This may include, amongst other things, meetings with the Company's senior executives and major shareholders.
- 7.2.6 The Chairman should ensure that the Directors continually update the skills and knowledge required to fulfil their role both on the Board and Board committees. The Company should provide the necessary resources for developing and updating its Directors' knowledge and capabilities.

8. BOARD PERFORMANCE REVIEW

8.1 Main Principle:

The Board should undertake a formal and rigorous annual review of its own performance and that of its committees and individual Directors.

8.2 Code Provisions:

- 8.2.1 A performance review of the Board should be undertaken annually, while a performance review of the Board, its committees and its individual Directors should be undertaken biennially. The Board should develop the criteria of review. The Chairman should ensure that the Board acts on the results of the performance review by recognising its strengths and addressing the weaknesses identified and where appropriate, appointing new members to the Board or seeking the resignation of Directors.
- 8.2.2 The Board performance review should be facilitated by an external facilitator at least every three (3) years.
- 8.2.3 The Board should state in the Annual Report whether such performance review is taking place and how it is conducted.
- 8.2.4 The Board performance review should be externally facilitated at least every three years. The external facilitator should be identified in the Annual Report and a statement made as to whether they have any other connection with the Company.

9. TERM LIMITS & RE-ELECTION OF DIRECTORS

9.1 Main Principle:

All Directors should be subject to re-election at regular intervals, subject to continued satisfactory performance and the provisions of the Company's articles.

Subsidiary board directors may serve for three terms of three years up to a maximum limit of nine years.

9.2 Code Provisions:

9.2.1 All Directors should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals in keeping with the provisions of the Company's articles. The names of Directors submitted for election or re-election should be accompanied by sufficient biographical details to enable shareholders to take an informed decision on their election.

9.2.2 Before proposing re-election, the Chairman should confirm as a result of performance evaluation that the Board is satisfied that the Director continues to be eligible, contribute effectively and demonstrate commitment to the role.

9.2.3 Non-executive directors of subsidiary boards are appointed for specified terms to allow for refreshing of the subsidiary boards subject to provisions in the subsidiary boards' incorporation documents and/or the relevant legislation regarding the re-election and removal of a director. The Board's performance review process and the results of the assessment of the non-executive director's performance will determine whether the director is suitable to put forward for re-election. To facilitate effective succession planning and the development of a diverse board, the term limit of nine years can be extended with the approval of the CGNC. Non-executive directors who serve beyond the nine-year term limit may be subject to a more rigorous evaluation process.

10. AUDIT & INTERNAL CONTROLS

10.1 Main Principle:

The Board shall establish an Audit Risk & Compliance Committee with responsibilities set out in terms of reference agreed by the Board.

The Board should establish formal, rigorous and transparent arrangements for selecting independent external auditors and ensure

that the independent external auditors make a thorough check of the Company's financial accounts, application of financial reporting standards and efficiency of internal control mechanisms. The Board must maintain an appropriate relationship with the Company's internal auditors.

10.2 Code Provisions:

10.2.1 The Board should establish an Audit Risk & Compliance Committee of at least three independent financially literate non-executive Directors one of whom shall be the Chairman. The majority of the members of the Audit Risk & Compliance Committee should be independent non-executive Directors. At least one member shall have risk management expertise and accounting or financial background. The composition and functions of the Audit Risk & Compliance Committee shall be disclosed in the Annual Report.

10.2.2 The main role and responsibilities of the Audit Risk & Compliance Committee should be set out in written terms of reference and should include:

- (i) to monitor the integrity of the financial statements of the Company, and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements and estimates contained in them,
- (ii) reviewing and recommending for approval the unaudited and audited financial statements of the Company,
- (iii) to review the Company's internal financial and other control systems and risk management systems,
- (iv) to monitor and review the effectiveness of the Company's internal audit function,
- (v) to ensure compliance with applicable governing statutes and regulations related to the role and responsibilities of the Audit Risk & Compliance Committee issued by any relevant supervisory authority,
- (vi) to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor,
- (vii) to develop and implement policy on the engagement of the external auditor to supply non-audit services,
- (viii) to review and monitor the external auditor's independence, objectivity and effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements,
- (ix) to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken, and
- (x) any other duties assigned by the Board and/or reasonably expected to be undertaken by the Audit Risk & Compliance Committee.

10.2.3 The Company shall immediately notify the Jamaica Stock Exchange of the resignation(s) of a member or members of the Audit Risk & Compliance Committee and disclose whether the resignation(s) is/are related to any disagreement in respect of accounting principles or practices, financial statement disclosures or any other issue impacting on the Audit Risk & Compliance Committee or the member's ability to properly carry out the functions of the Audit Risk & Compliance Committee.

10.2.4 Where it is required for any regulated and/or public companies in the Group those companies should have an audit committee. Any company in the Group which does not have an audit committee should from time to time review the need for one.

11. RISK MANAGEMENT

11.1 Main Principle:

The Board should oversee the Company's risk management and internal control framework and conduct an annual review of its effectiveness. This review should encompass all key and emerging risks, and all material controls, including financial, operational, reporting, and compliance controls.

11.2 Code Provisions:

11.2.1 The Board should include the following in the Company's annual report:

- (i) An account of how it has reviewed the effectiveness of the risk management and internal control framework,
- (ii) A summary of key and emerging risks and how they are being managed,
- (iii) A declaration regarding the effectiveness of the material controls as of the balance sheet date, and
- (iv) A description of any material controls that did not function effectively as of the balance sheet date, along with the actions taken, or proposed, to improve them and any measures taken to address previously reported issues.

12. FINANCIAL REPORTING

12.1 Main Principle:

The Board should ensure that the Company provides its shareholders and investors with information that presents a balanced and understandable assessment of the Company's financial and business position and prospects.

12.2 Code provisions:

- 12.2.1 The Board should ensure that the Annual Report includes a clear description of the Company's business prospects, financial accounts and a statement by the auditors on the Company as a going concern and the integrity of the financial accounts.
- 12.2.2 The Board's responsibility to present a balanced and understandable assessment of the Company's affairs extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory and regulatory requirements.
- 12.2.3 The Directors should report whether the business is a going concern, with supporting assumptions or qualifications as necessary.

13. COMPENSATION

13.1 Main principle:

Levels of remuneration of a Company's executives and Directors should be sufficient to attract and retain and motivate persons of the quality required to run the Company successfully. A significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance. Remuneration policies and practices should support the Company's strategy and promote the long-term sustainable success of the Company. Executive remuneration should be aligned with the Company's purpose and values and clearly linked to the successful delivery of the Company's long-term strategy.

13.2 Code Provisions:

- 13.2.1 A compensation committee is to be established either as an independent committee or as a sub-committee of the Corporate Governance & Nomination Committee.
- 13.2.2 To avoid potential conflicts of interest, the Compensation Sub-Committee should comprise of a maximum of five (5) non-executive directors, at least three (3) of whom should be independent.
- 13.2.3 The Compensation Sub-Committee should judge where to position the Company relative to other companies with respect to compensation. In doing so the Compensation Sub-Committee should be sensitive to the various factors that influence compensation including the jurisdictions and industries in which companies operate, and employment conditions.

- 13.2.4 The performance-related elements of remuneration should form a significant proportion of the total remuneration package of executive Directors and should be designed to align their interest with those of shareholders and to give these Directors keen incentives to perform at the highest levels, while remaining consistent with the Company's strategic objectives, core values and risk appetite.
- 13.2.5 The Compensation Sub-Committee should consider what compensation commitments (including pension contributions) the executive Directors' contracts of service, if any, would entail in the event of early termination. Where the initial contract does not explicitly provide for compensation commitments, the Compensation Sub-Committee should, within legal constraints, tailor their approach in individual early termination cases to the wide variety of circumstances.
- 13.2.6 The Compensation Sub-Committee should provide the packages needed to attract, retain and motivate executive Directors and of the quality required but should avoid paying more than is necessary for this purpose.
- 13.2.7 The Compensation Sub-Committee should make recommendations to the Board, within agreed terms of reference, on the Company's framework for executive remuneration and its cost; and determine on their behalf specific remuneration packages for each of the executive Directors, including pension rights and any compensation payments. The Compensation Sub-Committee may also engage professionals or consultants, as necessary, to assist in the recommendation-making process.
- 13.2.8 The Compensation Sub-Committee will review and approve proposals made by the chief executive officer with regard to the total compensation of senior executives of the Company.
- 13.2.9 The remuneration of non-executive Directors shall from time to time be determined by the Company in general meeting, unless delegated to the Board.
- 13.2.10 Where the responsibility for determining the remuneration of Directors has been delegated to the Board, the Board or the Compensation Sub-Committee, or such other appropriate committee may, on a recommendation made by the chief executive officer and supported by the chief financial officer, determine the remuneration of the Directors of the Company.
- 13.2.11 Employees who serve on Boards within the Group should not receive directors' fees for service in this capacity.
- 13.2.12 The Board should report to the shareholders each year on the

remuneration of non-executive Directors.

14. REPORT TO SHAREHOLDERS AND INVESTOR RELATIONS

14.1 Main principle:

There should be regular communication between the Company and its shareholders based on the mutual understanding of objectives. Whilst recognizing that most shareholders' contact is with the executive Directors, the Chairman and the Board as a whole should maintain sufficient contact with shareholders to understand their issues and concerns.

14.2 Code Provisions:

14.2.1 The Annual Report should set out the Company's policy on executive Directors' remuneration.

14.2.2 The Chairman, chief executive officer and senior independent director, where applicable, should be identified in the Annual Report.

14.2.3 The Board's responsibility to present a balanced understandable assessment of the Company extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

15. ANNUAL GENERAL MEETINGS

15.1 Main principle:

The Board should use the Annual General Meeting (AGM) as a major opportunity to inform shareholders and investors about the Company's affairs and encourage their participation. The Board should ensure that shareholders are provided with sufficient information for the AGM to make well-informed decisions on issues put for voting at the AGM.

15.2 Code Provisions:

15.2.1 The Company should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the report and accounts.

15.2.2 The Company should arrange for the Notice of the AGM and related papers, including the Company's Annual Report to be sent to shareholders at least twenty-one (21) days before the meeting or such other time as may be provided for in the Articles of the Company, or other applicable and lawful directive.

16. SUSTAINABILITY

16.1 Main Principle:

The Board should ensure that the Company embeds sustainability into its operations and is and is seen to be a good corporate citizen.

16.2 Code Provisions

16.2.1 The Board should:

- (i) consider not only financial performance but also the impact of the Company's operations on society and the environment,
- (ii) consider the protection, enhancement and investment in the well-being of the economy, society and the environment,
- (iii) ensure that collaborative efforts with stakeholders are embarked upon to promote ethical and sustainable conduct, and good corporate citizenship, and
- (iv) ensure that corporate citizenship programmes are implemented.

17. BUSINESS CONDUCT & ETHICS

17.1 Main Principle:

The Board should ensure that the Company acts ethically and responsibly with honesty, integrity and in a manner consistent with the legitimate interests and expectations of stakeholders.

17.2 Code Provisions

17.2.1 The Board should adopt high standards of business ethics through its Code of Ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the Company's operations, ensuring that its vision, mission and strategy are ethically sound and demonstrative of its values. The Code of Ethics should be effectively communicated and integrated into the Company's strategy and operations, including its enterprise risk management framework and remuneration structures.

17.2.2 The Board should ensure that management has implemented appropriately stringent policies and procedures to mitigate the risk of breach of ethics, which includes bribery and corruption or other malfeasance. Such policies and procedures should be communicated to shareholders and other interested parties.

17.2.3 The Board should ensure that the Company has in place an independent, confidential mechanism whereby an employee, supplier or other stakeholder can anonymously and without fear of retribution raise issues of particular concern with regard to potential or suspected breaches of the Company's

Code of Ethics or any applicable law.

17.2.4 The Board should develop clear rules regarding any trading by Directors and employees in the Company's own securities. Individuals should not benefit directly or indirectly from knowledge which is not generally available to the public.

17.2.5 The Board should foster a corporate culture which ensures that employees understand their responsibility for appropriate behaviour. There should be appropriate Board level and employee training in all aspects relating to corporate culture and ethics. Policies and procedures should be in place to enable employees to understand relevant codes of conduct and apply them effectively to avoid Company involvement in inappropriate behaviour.

18. **GROUP GOVERNANCE**

The Board should ensure that its policies establish a Group governance framework that articulates and gives effect to its direction on relationships and the exercise of authority across the Group. Notwithstanding the corporate governance framework, each subsidiary within the Group is a separate and independent legal entity to whom its directors owe fiduciary duties, and this must be considered by the subsidiary when adopting and implementing policies, structures and procedures of the Board pursuant to the Group's governance framework.

19. **REVIEW OF CORPORATE GOVERNANCE CODE AND DISCLOSURE OF CODE**

19.1 The GraceKennedy Corporate Governance Code shall be submitted to the Stock Exchanges on which the Company is listed, and the exchanges shall be advised of any changes to the Code.

19.2 The Code is to be reviewed at least every two (2) years, and the outcome of the review is to be communicated to the Stock Exchanges.

19.3 The Code is to be made available to the public through the Company's website and the Company's Annual Report shall indicate that the Code is available on the Company's website.