



KEY INSURANCE COMPANY LIMITED ("KEY")

TERMS OF REFERENCE FOR DIRECTORS

1. **Definitions**

As used herein the masculine gender will include the feminine and vice versa.

2. **Board Independence**

All directors should bring an independent judgment to bear on issues of strategy, performance, resources, including key appointments and standards of conduct.

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.

4. **Directors Training**

Every director should receive appropriate training on the first occasion that the Director is appointed to the Board and subsequently as necessary.

5. **Board Meetings**

The Board should meet regularly and have in place a formal schedule of matters specifically reserved to it for decision.

Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by management is unlikely to be enough in all circumstances and directors should make further enquiries where necessary.

6. **Board Committees**

The Board may establish Board committees to carry out any of its functions as it may deem fit and shall approve the Terms of Reference of such Committees.

7. **Board Attendance and Participation**

Board members are required to attend board and assigned board committee meetings regularly and to prepare for and participate actively in meetings.

8. **GraceKennedy Code of Ethics & Guidelines for Business Conduct and other policies**

Directors within the GraceKennedy Group are provided with the GraceKennedy Code of Ethics & Guidelines for Business Conduct ("the GraceKennedy Code of Ethics") on appointment and are required to observe the principles established in this code. Directors are required to confirm compliance with the GraceKennedy Code of Ethics once per year on the forms provided.

In acknowledging its role as a subsidiary within the GraceKennedy Group, KEY underscores its commitment to aligning its operations with the overarching policies and strategies established by the GraceKennedy Group. Recognizing that it operates within a larger corporate ecosystem, the Board acknowledges the importance of upholding the Group's principles, values, and objectives. This entails a diligent adherence to Group policies, guidelines, and governance frameworks to ensure the harmonious functioning of the Group.

9. **Conflicts of Interest**

Directors are required to observe the provisions of the GraceKennedy Code of Ethics in relation to conflicts of interest. On appointment Directors are required to disclose to the Board other Board directorships and business interests on forms provided and to update these once per year or more frequently in the event of changes. Directors are required to observe the GraceKennedy Group Disclosure of Interests Policy.

Directors shall be absent from consideration of and refrain from voting on contracts between the director/ related person/entity and the Company¹

10. **Contracts with the Company**

10.1 Directors are required to disclose to the Board:

- (i) Any contracts or proposed contracts with the company;
- (ii) Any interest which such director has in any company or other entity or body that is a party to a contract or proposed contract with the Company;
- (iii) Any interest which an associate of the Director may have in a contract or proposed contract with the company and

shall indicate to the board the nature and extent of the Director's interest.

10.2 Such disclosures are to be made:

- (i) At the meeting of the Board when the proposed contract is first considered or,
- (ii) If the director was not then interested in a proposed contract, at the first meeting after he becomes so interested, or
- (iii) If a person who is interested in a contract later becomes a director of the company, at the first meeting after he becomes a director.

10.3 This requirement is also one of law in certain jurisdictions including Jamaica.²

11. **Insider Trading**

Directors are required to observe insider trading restrictions provided for by law and avoid trading in the securities of Key Insurance Company Limited, GraceKennedy Limited or other publicly listed company within the GraceKennedy group when in possession of insider information.³ Directors are also required by law not to disclose (or tip) others on insider information. Directors are subject to criminal prosecution for breaches of insider trading provisions.⁴

12. **Directors Duties and Responsibilities**

12.1 **Fiduciary Duty**

Every Director and Officer of the Company, in exercising his powers and discharging his duties, is required to act **honestly and in good faith with a view to the best interests of the Company.**⁵

¹ This may also be provided for in the articles of the relevant company.

² The Companies Act of Jamaica, Section 193.

³ Under Section 51 of the Securities Act directors and others are prohibited from dealing with the securities of the a publicly listed company when in possession of information which is not generally known to the public and if generally known would affect the price of the security ("price sensitive information"). This obligation remains for a period of 12 months following the date of termination of the director's association with the listed company. See also the GraceKennedy Group Code of Ethics and the provisions of the GraceKennedy Group Insider Trading Policy.

⁴ Example, under the provisions of Section 52 of the Securities Act of Jamaica persons in breach of the insider trading laws may be liable to a fine or to imprisonment of up to ten years.

⁵ See for example Section 174 (1) (a) of the Companies Act of Jamaica.

12.2 **Duty of Care and Skill**

12.2.1 Directors are required to exercise due care and diligence and skill and in so doing to ***exercise the care diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including but not limited to the general knowledge, skill and experience of the particular director.***

12.2.2 A Director of a company shall not be in breach of his duties if the Director exercised due care, diligence and skill in the performance of the duty or believed in the existence of facts that, if true, would render the director's conduct reasonably prudent.⁶

12.2.3 A Director will be deemed to have acted with due care, diligence and skill where, in the absence of fraud or bad faith, the Director reasonably relied in good faith on documents relating to the Company's affairs, including financial statements, reports of experts or on information presented by other Directors or, when appropriate, other officers and professionals.⁷

12.2.4 In determining what the best interests of the company are, a director may have regard to the interests of the company's shareholders and employees and the community in which the company operates.

12.2.5 The duties imposed on Directors are owed to the company alone (and not to individual shareholders).

12.2.6 Directors carrying out management functions under a contract of service may by virtue of their contracts be required to observe a higher standard of care than set out in paragraphs 12.1 and 12.2.1.

12.3 **Regulatory Requirements**

Directors of the Company shall promptly submit completed personal questionnaires and other documents required under or by virtue of the legislation and regulations affecting the Company's licenses and operations.

12.4 **Confidentiality**

Directors are required to respect the confidentiality of the Company.

12.5 **Board Evaluation**

The Board is required to conduct an evaluation of its performance at least once in each year.

⁶ See Section 174 (2) of the Companies Act of Jamaica

⁷ See Section 174 (3) of the Companies Act of Jamaica