

GRACEKENNEDY LIMITED

Group Internal Audit – Audit Charter

VISION STATEMENT

The vision for the GraceKennedy Limited, Group Internal Audit Department (GIA) is to become partners in delivering results that protect and drive our brand and achieve business excellence.

MISSION STATEMENT

Our mission is to provide audit and consulting services in a strategic and responsive manner that optimizes business performance.

We do this by:

- Assessing individual SBUs contribution to Group Revenue and Group Profits
- Assessing the risks associated with the company's strategic objectives and, growth plans;
- Becoming familiar with/gaining understanding of functional aspects of each business;
- Engaging in continuous research and training to ascertain emerging risks and future trends in our customers' industry, business models and technologies and advise them accordingly;
- Partnering with financial, operational and technical executives to understand their internal control environments and risk mitigation activities;
- Developing and executing an audit plan that addresses risks to the business;
- Performing independent assessments of controls for adequacy, effectiveness, and efficiency, and guided by professional standards and using innovative approaches;
- Developing and applying continuous monitoring techniques based on company needs and opportunities identified by internal audit.
- Supporting our business partners' efforts to achieve their objectives;
- Maintaining a dynamic, team-oriented environment that encourages personal and professional growth, and challenges and rewards our employees for excelling and reaching their full potential;
- Utilising robust approaches to succession planning and development and providing supporting mechanisms to facilitate knowledge dissemination within the department and,
- Developing future company leaders.

Introduction – Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes. One of the main objectives of internal auditing is to assist members of the organisation in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and information/insights obtained by Internal Audit.

Role of the GraceKennedy Group Internal Audit Department

The Group Internal Audit department is established by the GraceKennedy Limited (GKL) Board of Directors, and its responsibilities are defined in this charter which is approved by the Group Audit Committee.

Organization and Reporting Structure

The head of GIA shall be the Chief Audit Executive (CAE) who shall report administratively to the Group Chief Executive Officer and functionally to the Audit Committee of the GK Board of Directors

Professional Standards

The Internal Auditing Staff shall govern themselves by adherence to The Institute of Internal Auditors' (IIA) "Code of Ethics" and to the "Code of Ethics" of GK as well as the codes of conduct issued by any organisations by which they are individually certified. In addition, GIA will adhere to the definition of Internal Auditing and comply with The IIA's "*International Standards for the Professional Practice of Internal Auditing*" (Standards) which shall constitute the operating procedures for the department. GIA shall also conduct consulting engagements in conformance with and as required by the Standards. These documents constitute an addendum to the charter. The IIA's "Practice Advisories" will be adhered to as applicable. In addition, Group Internal Auditors will adhere to GIA's policies and procedures and the Standard Operating Procedures Manual. The Standard Operating Procedures Manual shall include attribute, performance, and implementation standards to guide the Department.

Authorization, Access and Responsibilities

Access

The Chief Audit Executive has direct and unrestricted access to senior management and the Group Boards.

Authorization is granted for full and complete access to any of the organisation's records (either manual or electronic), physical properties, and personnel (full time or contracted) relevant to an audit engagement. Documents and information given to Group Internal Auditors during reviews will be handled in the same prudent manner as by those employees normally accountable for them.

Authority

Group Internal Auditors have no direct responsibility or any authority over any of the activities or operations that they audit or review. They should not develop and install procedures, prepare records, perform any management function, or engage in activities that would normally be reviewed by internal auditors.

Recommendations and opinions on standards of control to apply to a specific activity may be included in the written report of audit findings which is given to operating management for review and implementation.

Responsibility

The Chief Audit Executive is responsible for ensuring that all activities of the internal audit department are carried out in compliance with the IIA's *International Standards for the Professional Practice of Internal Auditing*.

Independence and Objectivity

The internal audit activity must be independent and Group Internal auditors must be objective in performing their work.

GIA while maintaining independence will provide company stakeholders with services in the following key areas:

- Compliance and Risk Management;
- Operational efficiency and effectiveness of internal control;

- Financial process control;
- Technology related controls; and,
- Project Implementation

Risk Based Approach

The internal audit methodology adopted by GIA is based on the principles of the IIA's publication *An Approach to Implementing Risk Based Internal Auditing*. This approach aims to link internal audit activity to an organisation's overall risk management framework. In effectively doing this GIA will among other things, leverage data analysis tools to determine priority areas for audit coverage.

The main benefit to GraceKennedy is a strategic, targeted internal audit function that focuses on the key risk areas, thus improving overall risk management. By focusing on the key risk areas, GIA should be able to conclude on whether:

- Management has effectively identified, assessed and responded to the key risks and opportunities facing GraceKennedy Limited;
- The responses to risks and opportunities are effective but not excessive;
- Where residual risk is unacceptably high, appropriate further action is being taken;
- The risk management processes, including the effectiveness of responses, are being proactively monitored by management to ensure they continue to operate effectively; and,
- Risks, responses and actions are being properly classified and reported.

Definition of Audit Scope

The scope of internal auditing encompasses the following activities:

- Define objectives and scope of all audits and engagements and communicate results of assessments accordingly.
- Review the adequacy and effectiveness of management's processes for risk management, internal control, and governance;
- Review the adequacy and effectiveness of management's system for strategic and annual plans and objective setting and ensure the annual internal audit plan is designed to assist in attaining these objectives.
- Review established systems, policies, and procedures to determine if they are adequate to ensure the organisation is in compliance with laws and regulations.
- Review financial reporting and disclosure controls and advise management in their representations and assertions regarding these controls.
- Review the means of safeguarding assets;
- Assist in the investigation of suspected fraudulent activities within the company
- Appraise efficiency and effectiveness with which resources are deployed;
- Coordinate audit efforts with those of the organisation's external auditors;
- Coordinate efforts with and effectively use expertise of Group Chief Compliance Officer & Snr. Legal Counsel, Chief Security Manager, General Counsel and Chief Corporate Secretary and Chief Information Officers (GKL and GKFG) to provide consultative support in reviews as necessary and ensuring awareness of matters of mutual concern.
- Advise in the design/development of new business and computer systems in relation to the provision of functionality to enable effective auditing of the function;
- Participate in the planning and performance of audits or due diligence procedures of potential mergers, acquisitions, and divestitures;
- Review the organisation's guidelines for ethical business conduct and the process for ensuring compliance;
- Periodically review procedures for receipt, retention, and treatment of complaints about accounting and auditing matters;
- Evaluate plans and actions taken to correct reported conditions;
- Provide adequate follow-up to ensure corrective action is taken and evaluate its effectiveness and report results;
- Conduct management requests and investigations based on assessment of risks

- Participate in Project Steering committee meetings as requested to give feedback, oversight on policy, process improvement and project management issues
- Prepare and submit annual audit plans for approval and status updates to the Audit Committee and Board of subsidiaries and the Group Audit Committee;
- Review and revise audit plan where necessary in response to changing risks
- Receive reports of Fraud and, in conjunction with Chief Security Manager or designate, investigate as necessary
- Receive and, along with Chief Security Manager or designate, investigate whistleblowing reports from across the business
- Periodically report to the Group Audit Committee on fraud and whistleblowing activities and irregularities in keeping with the Group's Anti-Fraud and Whistleblowing policies
- Report significant audit findings and monitor and report on the status of corrective actions to the Audit Committees of the Boards of Directors;
- Review and provide feedback on submissions from the management to the Group CEO and the various Audit Committees and where required consideration by the various Boards for items deemed:
 - appropriate for risk acceptance
 - appropriate for implementation date extension
- Attend Audit Committee meetings and attend Board meetings as required; and,
- Annually review the internal audit charter, modify as appropriate, and submit to the Group Audit Committee for approval.

Audit Planning

Annually, the Chief Audit Executive shall submit to senior management, Audit Committee and Board of subsidiaries and the Group Audit Committee a summary of the audit work schedule, staffing plan, and budget for the following fiscal year. The audit work schedule is to be developed based on a prioritization of the audit universe using a risk-based methodology. The risk-based assessment should involve but not be limited to engaging executives, Audit Committees and Board members in consideration of the current business challenges and supporting the development of strategies to address and mitigate the associated risks.

Once completed and approved, any deviation from the formally approved work schedule shall be communicated to senior management, Audit Committee and Board of subsidiaries and the Group Audit Committee through periodic activity reports.

Reporting Accountabilities

At the completion of the audit fieldwork a draft report will be prepared and issued to the appropriate SBU management team member(s) based upon scope of the review along with the persons responsible for responding to the audit recommendations. Management responses should be submitted to the CAE within two weeks of receiving the draft report. The responses will indicate who is responsible for implementing the recommendations, the specific actions which have been agreed and the timeframe for implementation. A final report will be issued to management within five (5) days of receipt of management responses. A summary of the audit results and reports issued for the period to include all High Risk and Moderate Risk findings will be provided to the Audit Committee and Board of relevant subsidiaries, and Group Audit Committee (High Risk findings only) at their next meeting.

On-going Monitoring – Quality Assurance and Improvement Programme

The Chief Audit Executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The quality assurance and improvement programme should be designed to enable an evaluation of GIA's activities conformance with the Definition of Internal Auditing, the Standards and the Codes of Ethics and the efficiency and effectiveness of the internal audit activity.

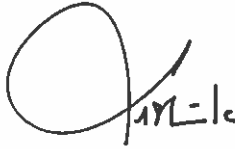
The programme must include both:

- Internal assessments including ongoing monitoring of performance and periodic self-assessments and;
- External assessments which are to be conducted at least once every five years by a qualified independent assessor from outside the organisation.

Periodic Assessment

The Chief Audit Executive should periodically assess whether the purpose, authority, and responsibility, as defined in this charter, continue to be adequate to enable the internal auditing activity to accomplish its objectives. The result of this periodic assessment should be communicated to senior management and the Group Audit Committee.

Approved this ___9th___ day of ___November___, 2021_____.



Chief Audit Executive
Lee-Anne C. Bruce



Chairman of the Group Audit Committee
of The Board of Directors
Peter Williams



Group Chief Executive Officer
Donald G. Wenby