

## MEMORANDUM TO STOCKHOLDERS

**To: GraceKennedy Limited Stockholders**

**Re: Extraordinary General Meeting – July 11, 2016 – Proposed Subdivision of Stock (Stock Split)**

Stockholders are referred to the Notice of Extraordinary General Meeting (“EGM”) of the Company to be held on **Monday, July 11, 2016**. The primary purpose of the meeting is for stockholders to consider and, if thought fit, approve a recommendation made by the Board of Directors for the subdivision of the stock of the Company (also known as a “stock split”). The proposal being made is for a three-for-one stock split. Set out below are responses to some questions that you may have in respect of the proposed stock split.

### **1. What is a Stock Split?**

A stock split occurs when the stockholders of a company take a decision to divide each of the company’s existing shares into multiple shares. The stock split proposed to GraceKennedy stockholders, at the EGM on July 11, 2016, is for a three-for-one split which means that, if approved, the number of stock units held by stockholders will increase three-fold on the effective date of the stock split, August 11, 2016.

### **2. Why is the Company splitting the stock?**

The Board of Directors made the recommendation to split the Company’s stock to make the stock units more accessible to investors and to increase liquidity in the trading of the Company’s stock.

### **3. How does a three-for-one stock split work?**

Immediately following the three-for-one stock split, the stockholdings of each stockholder will be three times the number of stock units they had before the stock split and the market price of the stock will be reflected as one-third of the pre-stock split price. Therefore, immediately following the stock split, the total market value of each stockholder’s stockholding would then be the same as it was immediately before the stock split. By way of example:

- **Before the stock split**, a stockholder who owns 100 stock units in the Company at a market price of J\$115 would have a total value of J\$11,500.
- **After the stock split**, the stockholder will own 300 stock units which, at the adjusted market price of J\$38.33 per stock unit, would still represent a total value of J\$11,500.

The difference is that as of the date of the stock split there will be more stock units available for trade on the market.

### **4. Do I need to pay anything for these new stock units which are allocated to me?**

No.

### **5. What will be the effective date for the Company’s stock split?**

The stock split will be effective August 11, 2016.

### **6. Does the stock split change my percentage ownership in the Company?**

No, the stock split will not change your proportionate ownership in the Company.

### **7. If I have a physical stock certificate to reflect my current holdings, will I receive a new one to reflect the stock split?**

No. For stockholders who maintain physical stock certificates to reflect your holdings these stock certificates remain valid and should not be destroyed. The stock certificates which bear a date prior to the effective date of the stock split, August 11, 2016, will remain valid and be treated as reflecting the post-split number of stock units. **While there is no need for you to do so**, the Company’s Registrar will be prepared, however, to reissue stock certificates with the post-stock split number of stock units reflected for stockholders who request this.

### **8. If my shares are held in a Depository account, will I be required to do anything?**

No. We would however advise that you contact your stockbroker for any further information you may require with regard to your individual account.