



NATIONAL FLOUR MILLS LIMITED

ADMINISTRATIVE REPORT

FOR THE FISCAL YEAR ENDED 31ST DECEMBER 2021



Submitted to the Ministry of Trade and Industry

Page 1 of 22

Contents

1. Vision, Mission, Philosophy and other Strategic Objectives
2. Organizational Structure
 - a. Organizational profile
 - b. Corporate Structure
 - c. Services, Products and Special Projects embarked upon
 - d. Delegated Levels of Authority
 - e. Legislative and Regulatory Framework
 - f. Reporting Functions
3. Policies and Development Initiatives
 - a. Short and Medium Term Plans
 - b. Performance Objectives and Accomplishments.
4. Financial Operations
 - a. Budget Formulation
 - b. Expenditure versus Income
 - c. Debt Policy
 - d. Investment Policy
 - e. Internal Audit Functions
5. Human Resource Development Plan
 - a. Organizational Establishment
 - b. Category of Employees
 - c. Career Path Systems
 - d. Performance Assessment/management strategies
 - e. Promotion – Selection procedures
 - f. Employee Support Services
6. Procurement procedures
 - a. Open Tender
 - b. Selected Tender
 - c. Sole Tender and the Criteria Used in selecting each system
7. Public and Community Relations
 - a. Client and Public Access to services/services delivery system
 - b. Community and stakeholder relations/outreach
 - c. Strategic Partnerships

National Flour Mills Limited stands at the forefront of Trinidad and Tobago's flour milling and feed milling industries.

VISION STATEMENT

To be the most trusted food and feed manufacturer in the Region.

MISSION STATEMENT

We will feed the region by:

- Meeting and exceeding global food safety standards.
- Value for money offerings.
- Fairness and equity in treating with our employees.

STRATEGIC OBJECTIVES

In 2021, in the midst of dealing with the fallout from the pandemic, the Company commenced the process of developing a new Strategic Plan. The Plan is based on two strategic pillars namely (i) Growth through Innovation and (ii) Profitability through Productivity. To create the culture change required for the new strategic objectives, new values were defined for the company namely:

- Dependability
- Customer Focus
- Growth Mindset
- Integrity
- Ownership

Specific initiatives to be pursued include (i) re-engineering existing processes (ii) optimizing operations to manage costs (iii) introducing new technology (iv) upskilling human capital and (v) developing a continuous improvement mindset. To increase revenue, specific focus will be placed on (i) expanding pet food operations (ii) expanding the dry-mix portfolio and (iii) expanding the traded goods portfolio.

ORGANIZATIONAL STRUCTURE

a. Organizational Profile

National Flour Mills Limited (NFM) has established itself as a leader in the food manufacturing sector in Trinidad and Tobago. This leadership status has been achieved through the blending of the traditional values and skills of the industry, with the investment in technology and training needed to create and sustain a large, modern and efficient organization.

NFM's products are supplied through a variety of channels to bakers, food manufacturers, retailers and farmers throughout the local and regional markets. By providing precisely the right product/service mix to each customer, NFM has been able to achieve a substantial share of the market.

The Company commenced trading activities in 1966 as Trinidad Flour Mills Limited and was engaged in the milling of wheat for the production of flour and wheat middling, the main by-product of the flour milling operations which is used as a raw material input for the production of livestock feeds.

National Flour Mills Limited was incorporated on September 30, 1972. Subsequent to its incorporation, the majority of the issued share capital was held by the Government of Trinidad and Tobago and minority shareholdings were held by two foreign investors – Inter Continental Grain Company and Maple Leaf Limited of Canada.

In 1980, the government acquired the shareholding of the two (2) foreign investors and NFM became a wholly owned State Enterprise. The Government's shareholding was subsequently divested to the public on the Stock Exchange in three (3) tranches. The public now owns 49% of the Company's shares. In 1999 the Government transferred its 51% shareholding to National Enterprises Limited, which itself is a publicly listed company.

The principal developments in NFM since 1980 have been as follows:

- In 1983, NFM acquired Trinidad Grain Terminal Limited and began the sale of bulk corn and soyabean meal to feed manufacturers.
- In 1984, NFM took over the management of the operations of National Feed Mill Limited and in 1987 this company became a wholly owned subsidiary of NFM. National Feed Mill Limited was engaged in the manufacture and sale of livestock, poultry and specialty feeds.
- In 1985, NFM leased the local rice milling operation at Carlsen Field from the Ministry of Agriculture. In 1990, ownership of the Rice Mill was transferred to NFM and in 1995, the land at Carlsen Field was granted to NFM.
- In 1987, NFM commissioned an integrated Soyabean Complex, which produced soybean meal and crude, refined and hydrogenated soyabean oils together with bottled oil.
- In 1992, the Company increased its on-site storage capacity by an additional 25,000 metric tonnes with the construction of additional concrete silos.
- In 1994, NFM commissioned a ship unloading/loading facility resulting in substantial cost savings in the handling of grain imports.
- In 1999, after a corporate reorganization, National Feed Mill became the Feed, Poultry and Livestock Division of NFM. This division operates a new state of the art Feed Mill which began commercial operations of its 30 metric tons per hour Plant in May 1999.

- In 2002, NFM acquired the dry-mix operations of Nabisco Royale Inc. including its entire Lion Brand and Royal Brand product portfolios.
- In 2003, NFM acquired the distribution rights for the SAF Brand of instant yeast.
- In 2006, NFM ceased operation at its Edible Oil Complex following an explosion at this facility. This plant was de-commissioned and various pieces of the equipment sold.
- In 2006, NFM commissioned its new state of the art 400MT capacity Flour Mill which replaced two flour mills that were over thirty-five (35) years old.
- In 2007, NFM began a Food Importation and Distribution Initiative Programme which was aimed at bringing cheaper foods to the nation, a buffer against escalating inflation. The goods imported for distribution included meats, cereal, sardines and milk. However, in 2008, the Board took a decision to cease this programme and by the end of 2008 all food imported under this programme had been distributed.
- From 2008 to present NFM has refocused its efforts on redefining its business strategy focused on its core competences to capitalize on market opportunities.

Today, NFM produces Food and Feed products in its three manufacturing facilities and supplies Bulk corn, soya bean meal and wheat middlings to local and export customers.

Food – The Company mills flour in its state-of-the-art factory and also manufactures complementary dry-mix food products.

Flour - Included in our wide range of flour products, one will find All Purpose, High Gluten, Bakers', Whole Wheat, Self-Rising and Breeding Flour. Our well-known consumer flour brands include Ibis®, Hibiscus®, Lotus®, and good N' natural®. NFM's commercial flour brand is National. NFM also supplies flour in bulk to commercial customers and is the only Flour Mill with this loading capability in Trinidad.

Cereals – NFM produces several healthy high fibre cereals including bran, wheat germ and hot wheat cereal, all under the good N' natural® brand.

Cooking & Baking Products – To complement our flour products NFM also manufactures Lion Brand® Baking Powder, Pholourie Mix and Split Peas Powder, as well as the Lotus® brand of Custard Powder and Icing Sugar.

Traded Items – The Company also imports and/or distributes complementary products such as White Rice, Par Boiled Rice, Soya Bean Oil under the Lotus® brand; SAF Yeast; good N' natural Coconut Milk and Ginger Tea.

Feed – NFM manufactures National® brand feeds for a wide range of poultry and livestock animals and is a leader in pet food manufacture both under its brand Command Performance® as well as through third party manufacturing arrangements to leading retail chains. NFM is a regional leader in the manufacture of extruded feeds including floating tilapia feed, rabbit feed and dog and puppy food.

Pet Food – NFM manufactures Command Performance® Dog and Puppy food, and pet food for third parties.

Livestock Feed – NFM's manufactures a wide range of National® poultry and livestock feed as well as fish and horse feeds including:

- All purpose
- Poultry (broiler, layer, pullet, chick)
- Dairy
- Ruminant
- Pig (starter, grower, gestation, lactation)
- Duck
- Rabbit
- Horse (broodmare and racehorse)
- Fish (Floating Tilapia)

Bulk sales of corn and soya bean meal - NFM also imports and resells corn and soyabean meal in bulk at competitive prices and can supply both local and export customers on an FOB or CIF per kg basis.

b. Corporate Structure

NFM's corporate structure is headed by a Board of Directors supported by a Corporate Secretary. The Chief Executive Officer who is accountable to the Board of Directors, leads an Executive Management Team. In 2021, the Board of Directors comprised the following persons:

- ✓ Nigel Romano – Chairman
- ✓ Sonja Voisin
- ✓ Aliyah Hamel-Smith
- ✓ Karen Shaw
- ✓ Shane Correia
- ✓ Ross Alexander
- ✓ Joanne Salazar
- ✓ Annalean Inniss

The Executive Management Team comprised the following persons:

- ✓ Mr. Ian Mitchell - Chief Executive Officer
- ✓ Ms. Sati Jagmohan – Corporate Secretary
- ✓ Mr. Jason Mohammed – Chief Operating Officer
- ✓ Ms. Georgia Donaldson – Chief People Officer
- ✓ Mr. Nigel De Bique - Head, Sales & Marketing
- ✓ Mr. Emmet Daisy – Head, Procurement & Raw Materials

Ms. Andra Emamdee- Balgobin – Head, Finance & Accounting (Ms. Balgobin resigned effective December 31st 2021).

In addition, the Company has a Senior Leadership Team comprising the following Managers:

- Ms. Karen Nieves – Manager, New Product Development & Technical Services
- Mr. Shurland Sawh – Head, Warehouse & Distribution
- Ms. Yvette Eastman – Manager, Feed Milling & Packaging
- Ms. Kristal Langton – Internal Auditor
- Mr. Terrance Massoom – Manager, Sales
- Ms. Gail Nobbee – Manager, Exports
- Ms. Prudence Mohammed – Manager, Food Production
- Mr. Atiba Morris – Manager, ICT
- Mr. Jeremy Ramoutar – Manager, Maintenance
- Ms. Felicia Mohammed – Manager, HSSE
- Ms. Vaneeta Ticklal – Manager, Accounting
- Ms. Sophia Doldron – Manager, Marketing
- Ms. Tisha Ferguson-Phillip – Manager, Quality and Food Safety

A copy of the Organizational Chart as at December 31st 2021 is attached as Appendix 1.

SERVICES/PRODUCTS PROVIDED AND SPECIAL PROJECTS EMBARKED UPON

A. Products

In 2021, NFM continued to develop products aligned to changing consumer tastes. Efforts were focused on the development and launch of a multi-grain flour and the development of a cassava flour blend. However, the ability to source a reliable supply was challenging. In addition, NFM continued to offer its traditional products as listed below:

Products	Brands
All Purpose Flour	Lotus; Ibis; Hibiscus
Self-Rising Flour	Lion
Bakers Flour	Lotus
High Gluten Flour	National Bakers
Cake Flour	Lotus
Whole Wheat Flour/Cracked Wheat	Lotus; Good N' Natural
Cookies	Palm
Cracker	Palm
Baking Powder	Lion
Pholourie Mix	Lion

Split peas Powder	Lion
Roti and Doubles Flour	Lion
Icing Sugar	Lotus
Coconut Milk Powder	Good N' Natural
Ginger Tea (sweetened and unsweetened)	Good N' Natural
Soya Bean Oil	Lotus
Parboiled Rice	Lotus
Wheat Bran	Good N' Natural
Wheat Germ	Good N' Natural
Wheat Cereal	Good N' Natural
Yeast	Saf Instant; Mauripan

B. Services

In addition to products, NFM also provides technical support and after-sales service to key accounts in the Commercial Segment and to Farmers.

C. Special Projects Embarked Upon

The Company continued to undertake capital works in relation to the creation of a safe work environment, promote employee well-being and to ensure that the Company could meet current and future market demands. During 2021, specific projects undertaken were:

- Upgrade of the Food Delivery Warehouse
- Repairs to the Garage at Location 1

Tenders would have also been invited for the following:

- Provision of Multi-functional devices
- Upgrade to the R&D Laboratory and Cold Storage
- Supply and Installation of Switch Gear and Incoming Transformer
- Supply, Installation and Commissioning of a new 2KG Line
- Upgrade to Food Delivery Office
- Repairs to Food Production Floors.

In addition, a Consultant was engaged to assist with the development of a scope for the acquisition of a new ERP System.

Delegated Levels of Authority

Execution of Contracts

The authorization to sign contracts on behalf of the Company is as follows:

Value of Contract	Authorized Signatory
Up to \$25,000.00	All Managers
>\$25,000.00 to \$50,000.00	COO/CPO
>\$50,000.00 to \$100,000.00	Chief Executive Officer
>\$100,000.00 to \$300,000.00	Chief Executive Officer and COO/CPO
>\$300,000.00	Chief Executive Officer and the Corporate Secretary or a Board Director

Cheque Signatories

The authorization to sign cheques was as follows:

CATEGORY A – TT\$1,000,000 and over

The following: -

- Director (1)
- Chief Executive Officer

CATEGORY B – Over TT\$100,000 to TT\$999,999.99

The Chief Executive Officer and one of the following: -

- Chief Operations Officer
- Chief People Officer
- Corporate Secretary
- Head, Finance & Accounting
- Head, Sales & Marketing

CATEGORY C – Up to TT\$99,999.99

Any two of the following, one of which must be a Group B Signatory. However, two signatories from the same Department cannot sign a cheque: -

- Chief Executive Officer
- Chief Operating Officer
- Chief People Officer
- Corporate Secretary
- Head, Finance & Accounting
- Head, Sales & Marketing
- Head, Procurement & Raw Materials

- Manager - Accounting
- Manager – Quality
- Manager – Local Sales

Legislative and Regulatory Framework

As a corporate entity, NFM is governed by its By-Laws and the Companies Act 1995. The Company is also subject to the guidance provided by the State Enterprises Performance Monitoring Manual and other corporate governance guidelines as well as policies and procedures approved by the Board of Directors.

As a Listed Company, NFM complies with the requirements of the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Securities and Exchange Commission.

Reporting Functions

On a monthly basis, Unit Managers are required to submit reports to their respective Chiefs/Heads who are then required to submit comprehensive reports for their functional areas to the Chief Executive Officer to facilitate the preparation of his Report to the Board of Directors.

The Chairman of the Board reports to the Minister of Finance and the Minister of Trade and Industry in accordance with the directives outlined in the State Enterprises Performance Monitoring Manual.

NFM, as a listed company, also reports to the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Securities and Exchange Commission.

POLICIES AND DEVELOPMENT INITIATIVES

Short, Medium and Long Term Plans

In the short-term, the Company was guided by its annual Corporate Plan. In addition, in the short, medium and long-term, the Company continues to be guided by Government Policy for the Sector. In keeping with the Board's continued thrust to provide the foundation for the creation of a culture of accountability, efforts continued to be focused on the development and roll-out of policies & procedures. In addition, the Company has embarked on an ambitious training programme in supervisory training and food safety.

For the medium to long-term, strategic initiatives require NFM to:

- Solidify the organization's existing foundations and business as usual; and

- Transform future performance through the product and geographic diversification of the Company's operations across non-flour initiatives and products.

Specific planned/targeted activities outlined in the Strategic Plan to solidify the existing foundations and business as usual include:

- Achieve Food Safety Certification. The audit of the Facility was delayed by the pandemic. In addition, the requirements of the Standard have also changed. NFM continues to prepare for the audit which is now expected to take place in Q3, 2022.
- Enhance plant and facilities capacity and capability focused on product quality and reliable output that meet customer needs.
- Implement an effective Production Planning Process.
- Identify an alternative ERP system since the current CSB system is a hindrance to improving productivity.
- Replace the 2kg and 10kg flour lines as well as the Dry-Mix Line.
- Design, Develop and Implement an Enterprise-Wide Risk Management Framework; and
- Implement Maintenance and Facilities Initiatives.

The focus going forward would be on increasing revenue through export sales as well as local feed sales. The ability to effectively provide customers with their orders on time and in-full has been negatively affected by the volatility in the grains market as well as global supply chain disruptions. Significant difficulties were encountered in obtaining timely supplies of packaging and other materials.

On the Feed side of the business, increased emphasis was placed on growing the market share for Command Performance dog food and Perromax in both the local and export markets. Command Performance dog food is marketed as a premium product and is currently generating a significant amount of revenue for the Company while Perromax is geared towards the low-income market.

Extruded feeds have been identified as a growth pole for NFM and efforts are focused on developing an RFP for a new Pet Food Facility. The tender process for the new Pet Food Facility will commence in 2022.

Given that the company imports most of its raw materials, the need to source foreign exchange is critical to its ability to remain a viable concern. This problem has been significantly alleviated by the priority treatment given to manufacturing companies by the Central Bank of Trinidad & Tobago. The export thrust will alleviate this problem to some extent provided that adequate margins are obtained. The thrust into certain international markets is to some extent dependent on our ability to attain Food Safety Certification. In turn, certification is dependent on our ability to execute the infrastructural works required to provide the requisite environmental, safety and security conditions.

The Company continued to pursue Continuous Improvement initiatives to reduce - cost, improve efficiency and contribute to the process of culture change.

The diversification of the business requires a focus on non-flour-based activities. Areas being explored include:

- Supporting the agricultural sector in the area of cocoa production. Discissions were held with the Cocoa Development Company of Trinidad and Tobago regarding the provision of technical support for NFM's pilot project. A request was sent to the Ministry of Agriculture, Land & Fisheries for access to a suitable site for the pilot project.
- Expansion of the Dry Mix Operations
- Establishment of an Extrusion Facility and the expansion of feed products.

Performance Objectives and Accomplishments. Remedial Plans if any, as it concerns Performance Gaps

The Budget is used to validate the achievement of performance targets in terms of actual versus budgeted. To measure the impact of these initiatives and identify gaps for training and development and other remedial or disciplinary procedures, a Performance Management system was implemented throughout the organization.

Notwithstanding the upward trend in revenue in 2020, given the volatility of NFM's competitive environment, NFM must review the way it does business. Grain prices have been steadily increasing and therefore NFM must critically review its cost structures to ensure that it continues to remain a profitable commercial entity.

FINANCIAL OPERATIONS

Budget Formulation

In alignment with the Company's strategic objectives, Budgets (both capital and recurrent) are produced on an annual basis. A revenue target is determined, and proposed expenditure is correlated to the revenue target. The actual expenditure, including the payment of dividends, is based on cash flows. NFM's biggest item of expenditure is related to the purchase of grains, the price of which is beyond the Company's control.

In addition, NFM produces monthly financial statements which are submitted to the Board of Directors at their Board Meetings. The monthly statements generally include a Balance Sheet, Profit and Loss Statement and Cash Flow Statement and are used to ensure that the Company can meet its liabilities as they become due.

In accordance with the requirements of the regulatory bodies, financial statements are published after every quarter and audited annual statements are also published by the 31st of March every year.

**Expenditure v Income
Statement of Comprehensive Income**

	Audited 2021	Audited 2020
Turnover	441,652	417,906
Cost of Sales	(362,854)	(304,452)
Gross Profit	78,798	113,454
Selling and Distribution Expenses	(37,514)	(38,726)
Administrative Expense	(43,230)	(43,880)
Other Operating Income	6,579	9,108
Operating Profit	4,633	39,956
Financial Expense	(2,119)	(4,184)
Profit Before Taxation	2,514	35,772
Taxation	(1,137)	(12,216)
Profit for the Period	1,377	23,456

Debt Policy

In support of the Company's strategic objectives, NFM's Debt Policy provides guidelines for the use of debt to ensure adequate funding for the execution of the Company's Annual Corporate Plan as well as providing prudent sources of funding as and when required.

The Debt Policy covers all forms of debt including short-term and long-term debt. The objectives of the Debt Policy are to insure that (i) the feasibility of acquiring additional debt is based on good business sense and (ii) competitive interests and other costs are obtained.

Investment Policy

NFM's Investment Policy defines the parameters within which surplus funds are to be managed so that the process is transparent and in keeping with Management's fiduciary duty to the Company.

The policy governs all activities relating to the investment of all funds except for funds held by Trustees or other statutory bodies.

The objectives of the Policy are to:

- Maximize investment earnings; and
- Ensure that sufficient liquidity is maintained to meet operating requirements.

At present, short-term investments are not being made since a decision was made to utilize surplus funds to reorganize working commitments to reduce finance costs.

Internal Audit Functions

In 2021, the Internal Audit Unit was staffed by three persons – an Internal Auditor and two Audit Seniors. The work of the Internal Audit Unit continues to be guided by an Internal Audit Charter and the Internal Auditor reports functionally to the Chairman of the Audit Committee and the Chairman of the Board and administratively to the Chief Executive Officer.

The Audit Committee was established by the Board in accordance with the Company's Bye Laws and the Companies Act, 1995. The composition of the Committee is as follows:

- Ross Alexander
- Aliyah Hamel-Smith
- Sonja Voisin
- Joanne Salazar

HUMAN RESOURCE DEVELOPMENT PLAN

Organizational Establishment -See Appendix 2

Categories of Employees

The categories of employees engaged by NFM are permanent employees, contract employees and temporary employees.

Career Path Systems

As far as is reasonably possible, NFM seeks to satisfy the growth and development needs of its employees. Significant emphasis is placed on the training and development needs of employees and except for specialized areas, internal recruitment is the first option for filling new positions.

Performance Assessment/Management Strategies

A Performance Management System was implemented. This system is used to identify and treat with areas for improvement and as a basis for training and other interventions

Promotion/Selection

National Flour Mills Limited is an equal opportunity employer and has a responsibility to procure the best available and most suitable candidates for the positions that are advertised.

Whenever vacancies arise, the Company will give first consideration to existing personnel before recruiting from outside. All unionized positions must be advertised internally. Deserving employees shall not be denied the opportunity to fill a vacant position in accordance with NFM's procedures.

When two (2) or more candidates in the Company's opinion have equal skill, competence, efficiency and merit, there will be an extended selection process. However, if these candidates are internal, then the candidate with seniority will be given preference in filling the vacancy.

In 2020, the Competency exercise was completed.

Employee Support Services

An Employee Assistance Programme is in place. The provider is Families in Action.

PROCUREMENT PROCEDURES

National Flour Mills Limited, is committed to ensuring an equitable, transparent and accountable process in the purchasing of goods and the provision of works and services and in the disposal of its assets. The Company aims to implement a system of strategic procurement to ensure that its method of service provision, including the carrying out of works, purchasing goods and disposal of assets are cost effective and represent the best value for money.

The Company shall implement strategies to analyze costs, trends, price forecasts and gather market intelligence, which shall be administered by the Procurement & Logistics Department, for the purpose of identifying potential partnerships and alliances, market capability, performance measures, stakeholders, international organizational requirements, preliminary costs and risk management as well as building capabilities and adopting strategies to control cost.

Open Tendering

Open Tendering is a process where invitations are issued through advertisements or other forms of public notice. The Company shall use Open Tendering in the following instances:

- (1) When the Company's list of approved Vendors does not cater or adequately cater for particular types of Goods, Works and/or Services.
- (2) Where it is competitively more advantageous.
- (3) Where the terms and conditions of Company borrowings so require.

Open Tendering should also be considered where:

- There is a reasonable possibility that there may be other parties who are able to provide the good, work or service and who are unknown to the Company at the time of tendering.
- The in-house estimate is of a substantial sum so that it is considered the most transparent and equitable approach to be used.
- The nature of the good to be provided, or the work or service to be undertaken is such that it is the most equitable option.
- The work, good or service is considered high risk.
- The work, good or service is considered complex.
- The nature of the contracting arrangement to be entered into favors this option.
- The principles of accountability, equality, transparency, value for money and so forth may best be achieved.

Selective Tendering:

Selective Tendering is a process where Tenders are invited from the Company's list of approved Vendors and/or where justified, vendors specifically approved by the Registration Committee responsible for the pre-qualification of vendors. In choosing a Selective Tendering process, the Company shall:

- (1) Set a minimum of three (3) and a maximum of ten (10) invitees so as to allow adequate competition in the procurement process. The invitees selected shall be among the top-ranked vendors registered to provide the particular Goods, Works and/or Services.
- (2) Continually evaluate vendors on their performance, inclusive of responsiveness to tender invitations and overall compliance with contract terms and conditions.

Sole Tendering

The Company may without inviting Tenders make merit awards or contract directly for purchases of Goods or secure the performance of Works and/or Services under the following circumstances:

- (a) Where the materials are non-changeable spares or replacement parts for materials already in use.
- (b) When the Works and/or Services are to be carried out on a site where the employment of another vendor may hinder the progress of work already being performed by an existing vendor, taking due account of cost effectiveness of the approach adopted.
- (c) Where only one vendor/consultant is capable or available or identified as having the qualifications or special proficiency, experience and skill of exceptional worth, expertise and/or equipment to supply the required Goods,

- Works and/or Services or is the agent of the agent/representative for Goods, Works and/or Services.
- (d) Where the Goods, Works and/or Services are required due to an Emergency situation.
 - (e) When significant cost savings can be achieved by using a consultant who is familiar with the Company having worked on a similar project.

Prior approval shall be required for all merit awards in accordance with the relevant Financial Authority to Award Contracts.

A detailed description of the Goods to be purchased or Works and/or Services to be performed must be presented along with a certification of at least one of the merit circumstances listed above.

The Executing Unit shall prepare a Company Estimate, as well as relevant documentation, which may include the scope of work, specifications, form of bid, conditions of contract or form of agreement and any other necessary information.

The Company's Procurement Rules are being updated to ensure alignment with the new Procurement Legislation. In addition, in accordance with the legislation, a Head, Procurement was recruited to perform the duties of the Chief Procurement Officer.

PUBLIC AND COMMUNITY RELATIONS

The Company makes contributions in the form of donations, sponsorship and scholarships to local community groups.

In-kind donations do not involve a direct cash contribution but instead might include providing promotional items such as T shirts, Aprons and other related items. Such donations would be made on the basis that there would be no expectation of increasing the material gain other than that related to the corporate recognition, credibility and reputation of NFM.

Scholarships – From time to time, NFM may award scholarships to recognize academic excellence.

Sponsorships relate to opportunities that will in most cases offer a long-term association with a particular entity, event or programme. In most cases, sponsorships will allow NFM to develop a working relationship with the other party and to proactively participate to ensure maximum branding on investment is achieved.

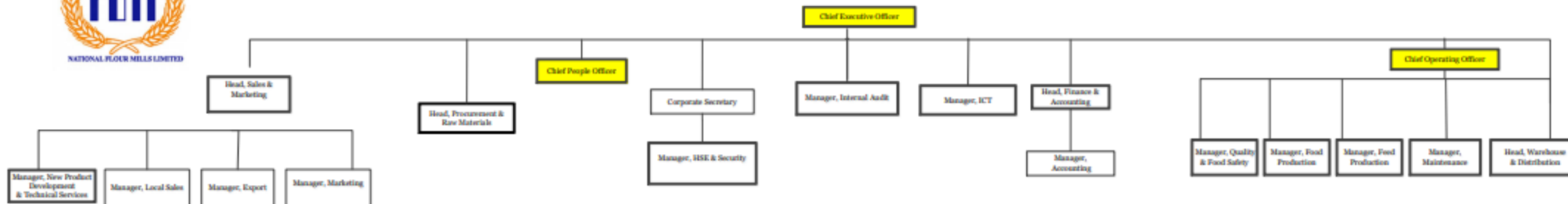
Preference is given to groups and organizations that:

- Are non-profit and can demonstrate community support and involvement.

- Are working for the benefit of a wide variety of stakeholders, in particular the youth of the community.
- Can demonstrate how the money or in-kind donation will be spent and the expected outcome of the event.
- Agrees to acknowledge the Company's contribution through the placement of various promotional banners, brochures, posters and the corporation's logo in promotional material.
- Commit to providing the Company's logo on promotional materials.
- Commit to providing the Company with a letter following the holding of the event that summarizes the outcomes and benefits.



NFM Organisation Structure – as at December 31, 2021



APPENDIX 2 – ORGANIZATIONAL ESTABLISHMENT



NATIONAL FLOUR MILLS LIMITED

ESTABLISHMENT BY HIERARCHY - DECEMBER 2020

	No. of Emp.	
NON-UNIONISED POSITION		
CEO/Divisional Managers	3	
Departmental Managers	17	
Technical/Professional (Officers)	34	
Para-Professionals	42	
Merchandizers	16	
UNIONISED POSITION		
Monthly Paid Employees		
Superintendents and Supervisors	21	
Technical	54	
Clerical	28	
Hourly Paid Employees	181	
TOTAL ESTABLISHMENT	396	