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(Registration Number: 1966/009846/06)

## EXECUTIVE COMMITTEE

### TERMS OF REFERENCE

#### 1. Definitions

Unless the context indicated otherwise, the following words, terms of expressions shall have the meanings to them hereunder;

- 1.1 “**Board**” means the board of directors of the Company as constituted from time to time in accordance with the Companies Act and the MOI;
- 1.2 “**Board Charter**” means the Grindrod Limited Board charter approved on 30 May 2012 by the Grindrod Limited Board of Directors, and as may be amended from time to time;
- 1.3 “**Chairman**” means the chairman of the Executive Committee;
- 1.4 “**CEO**” means the chief executive officer of the Company from time to time;
- 1.5 “**Committee**” means the Executive Committee of the Company;
- 1.6 “**Companies Act**” means the Companies Act No 71 of 2008, as amended from time to time;
- 1.7 “**Company**” means Grindrod Limited (Registration Number 1966/009846/06), including its subsidiaries;
- 1.8 “**Directors**” means directors of the Company from time to time;

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- 1.9      “**Executive Committee**” means the Executive Committee constituted by the CEO and in accordance with the MOI, whose membership, roles, responsibilities and powers are governed by these terms of reference;
- 1.10     “**Financial Director**” means the financial director of the Company from time to time;
- 1.11     “**Group**” means the Company and its subsidiaries from time to time;
- 1.12     “**King IV**” means the King IV Report on Governance for South Africa 2016;
- 1.13     “**Listings Requirements**” means the listings requirements of the JSE Limited as amended or replaced from time to time;
- 1.14     “**Limits of Authority**” means the company’s internal framework regulating levels of authority for various transactions;
- 1.15     “**Mol**” means Memorandum of Incorporation of the Company;
- 1.16     “**Members**” mean the initial persons appointed as members of the Committee as well as any persons succeeding them in terms of these Terms of Reference;
- 1.17     “**Secretary**” means the Group Company Secretary in office or his/her nominee;
- 1.18     “**Stakeholders**” means any group affected by and affecting the Company’s operations; and
- 1.19     “**Terms of Reference**” means these Terms of Reference of the Executive Committee.

## 2.      Introduction

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2.1 In furtherance of its commitment to achieving best practice standards of corporate governance based on locally and internationally acceptable standards, which includes commitment to compliance with King IV and the Listings requirements, the Board of Grindrod Ltd has adopted the Board charter.

2.2 The Board has delegated its day to day management duties to the Executive Committee in terms of the Mol and Board Charter.

2.3 In order to outline the membership, roles, responsibilities and powers of the Executive Committee and to ensure that high standards of corporate governance and ethical leadership are maintained in relation to the exercising of the functions of the Executive Committee by its members, the Board has adopted these terms of reference.

### **3. Appointment and Composition**

3.1 The Executive Committee shall consist of not less than five members appointed by the CEO in terms of his delegated authority, of which the CEO and Financial Director must be appointed as members.

3.2 Notwithstanding the powers, roles and responsibilities of the Executive Committee outlined below, it is noted that the CEO and the Financial Director have specific roles and responsibilities.

3.3 The Executive Committee shall be chaired by the CEO. In the event that the CEO is not available to chair a meeting of the Executive Committee, the Executive committee members present will elect one of their number to act as chairperson for that particular meeting.

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#### 4. **Ineligibility and disqualification of members**

A person is ineligible or disqualified to become a member of the Committee if such a person is ineligible or disqualified in terms of Section 69 of the Companies Act.

#### 5. **Tenure of the committee**

The committee shall endure indefinitely, until such time as the Board may determine otherwise.

#### 6. **Secretary**

6.1 The Secretary or his/her nominee shall act as the secretary of the Committee.

6.2 The Secretary or his/her nominee shall take written minutes of all meetings of the members; circulate them to the members as soon as reasonably possible for correctness and ensure that the Chairman signs the minutes as a correct reflection of the proceedings at the meetings.

6.3 The Secretary shall maintain a minute book and a register of all resolutions of the Committee.

6.4 The Secretary shall keep the Committee informed of all share transactions and shareholdings of all Directors of the Company.

#### 7. **Mandate and responsibilities**

The Committee has the following roles, responsibilities and powers:

7.1 The Executive Committee is authorised to exercise all of the powers conferred upon the Directors by the MOI and/or the Act in order to

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facilitate the effective management of the Company's business, with the exception of the powers which are expressly reserved for the Board as set out in the Board Charter and in line with the Limits of Authority.

7.2 Any and all matters arising from and/or corporate action required to be undertaken by the Company in terms of the Listings Requirements shall be reserved for determination by the Board and shall be outside the scope of the authority of the Executive Committee.

7.3 The Executive Committee shall be specifically responsible for without limiting the above:

7.3.1 The development and implementation of strategies and policies of the Company in an integrated manner, appreciating that its core purpose, risks and opportunities, strategy and business model, performance and sustainable development are all inseparable elements of the value creation process;

7.3.2 Managing the day to day business and affairs of the Company ethically and effectively to ensure that the Company creates value for its stakeholders in the short, medium and long term;

7.3.3 Govern the ethics of the Company in a way that supports the establishment of an ethical culture.

7.3.4 Prioritising and allocating the Company's capital, technical and human resources;

7.3.5 Establishing best management practices and functional standards;

7.3.6 Senior management appointments and monitoring the performance of senior management;

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7.3.7 Maintaining a group-wide system of internal control to manage all group risks. This system supports the Board in discharging its responsibility for ensuring that the wide range of risks and opportunities associated with the Group's operations are effectively managed in support of the creation of sustainable value; and

7.3.8 Maintain a group-wide legal compliance and corporate governance structure.

7.3.9 Adopt a stakeholder-inclusive approach, which aligns the needs, interests and expectations of the company's material stakeholders in the best interest of the company.

7.4 The Committee shall apply its mind to the Limits of Authority document when reviewing proposals of any material or strategic projects, opportunities and/or disposal of assets.

7.5 The Executive Committee may recommend to the Board to amend/revise the Group Limits of Authority from time to time.

7.6 Make recommendations to the Board relating to matters beyond the scope of its authority.

## **8. Sub Committees**

8.1 The Executive is authorised to form sub committees to assist it in the execution of its duties.

8.2 In exercising the powers and authorities delegated to it, the Executive Committee shall act in accordance with and subject to the directions and requirements as may from time to time be laid down by the Board.

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## 9. Meeting procedures

### 9.1 Frequency

The Committee shall meet at least four (4) times a year. Further meetings may be called by the Chairman of the Committee, the Group Chief Executive Officer or other members of the Committee, and shall be governed by the provisions of the Company's Memorandum of Incorporation relating to meeting procedures.

### 9.2 Quorum and attendance

9.2.1 A quorum for a meeting of the Committee shall be the Chairman and any three (3) members present personally and no business shall be transacted at a meeting of the Committee unless the requisite quorum is present. Voting can take place in person, by teleconference, video conference or such other electronic means which may come into use in the future.

9.2.2 Provided that notice is given to all Executive Committee members, a decision that could be voted on at a meeting of the Executive Committee may instead be adopted by written consent of a majority of the Executive members given in person or by electronic communication on a round robin basis.

9.2.3 A decision made by the Executive Committee as set out in paragraph 9.2.2 above, will be of the same effect as if the decision had been approved by voting at the meeting of the Executive Committee.

9.2.4 In order to support quality decision making, Executive Committee members must be informed in an efficient and timely manner prior to meetings and in so far as possible be provided with sufficient information in order to prepare adequately on all

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agenda points to be discussed.

9.2.5 Senior management, assurance providers and professional advisors may attend Executive Committee meetings on invitation by the Executive Committee, but will not form part of the quorum or be entitled to vote at meetings.

9.2.6 Members must attend all Executive Committee meetings unless a prior apology with reasons has been submitted to the Secretary.

9.2.7 Meetings of the Executive committee may be conducted by electronic communication, one or more Members may participate in a meeting by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

## **10. Agenda and minutes**

10.1 The Executive Committee shall follow an annual work plan to ensure that all relevant matters are dealt with by the agendas of the Executive Committee meetings planned for the year, including proper coverage of matters set out in these terms of reference.

10.2 A detailed agenda together with supporting documents (if necessary) must be circulated to Executive committee members at least five (5) business days prior to each executive committee meeting.



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## 11. **General**

11.1 The Chairman will determine the role, functions, duties and performance criteria to serve as a benchmark for the performance appraisal of the Executive Committee members.

11.2 The Committee shall on an annual basis:

11.2.1 Review its performance in the form of an evaluation by the Chairman of the Committee;

11.2.2 Review its Terms of Reference to ensure optimal effectiveness and to recommend any changes it considers necessary to the Board for approval; and

11.2.3 Review and approve its Annual Work Plan.