

<b>Revision No: -</b> <b>Issue Date:</b> February 2016 <b>Last Review Date:</b> February 2017	<b>Author:</b> Cl Lewis	<b>Review and recommend for approval:</b> Investment committee	<b>Approval:</b> Grindrod Board	Page 1 of 4
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(Registration Number: 1966/009846/06)

**INVESTMENT 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. “**Ad hoc Members**” means Members of the Committee co-opted by the Group Chief Executive Officer as and when required;
- 1.2. “**Board**” means the Board of Directors of the Company;
- 1.3. “**Chairman**” means the chairman of the Investment committee appointed by the Board
- 1.4. “**Committee**” means the Investment committee of the Company;
- 1.5. “**Companies Act**” means the Companies Act No 71 of 2008, as amended from time to time;
- 1.6. “**Company**” means Grindrod Limited (Registration Number 1966/009846/06), including its subsidiaries;
- 1.7. “**Directors**” means directors of the Company from time to time;
- 1.8. “**MOI**” means the Memorandum of Incorporation of the Company;
- 1.9. “**King IV**” means the King Report on Governance for South Africa 2016;
- 1.10. “**Standing 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, in their capacities as Members of the Committee.

**2. Introduction**

Section 72 of the Companies Act makes provision for a company, to the extent that the MOI permits, to appoint any number of committees of directors and to delegate to any committee any of the authority of the Board. Principle 4 of King IV states that the board of the company should appreciate that the company’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all integrally connected and part of the value creation process.

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Principle 8 of King IV states that the board should ensure that the delegation of duties and responsibilities to its various board committees promote independent judgement, assist with the balance of power and the effective performance of its duties.

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

- 3.1. The Investment Committee is a committee of the Board, advisory in nature and accountable to the Board and to shareholders by reporting on an annual basis on the performance of its mandate.
- 3.2. Standing Members will be appointed by the Board from amongst the Directors of the Company.
- 3.3. Ad hoc Members will be co-opted by the group Chief Executive Officer for each separate meeting, based on the specific capital applications to be deliberated on at each such meeting.
- 3.4. The committee shall consist of not less than three (3) members, at least two of whom must be non-executive directors not involved in the day to day management of the company within the previous three financial years and the Group Chief Executive Officer. In deliberating on the appointment of Members, the Board should give due consideration to the ideal combination of skills required to fulfil the functions of the Committee for that specific meeting.
- 3.5. The Chairman of the Committee shall be the group Chief Executive Officer.
- 3.6. If at any meeting of the Committee the Chairman is absent the remaining members present shall elect one of the members to chair that specific meeting.

### 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. **Formalities**

- 5.1. Written minutes of all meetings shall be taken, circulated to the members for correctness and signed by the Chairman as a correct reflection of the proceedings at the meetings.
- 5.2. A minute book and a register of all resolutions of the Committee shall be maintained at all times.

### 6. **Mandate and responsibilities**

The Committee's mandate comprises the following responsibilities/powers:

- 6.1 The Committee shall review the strategic direction of the company;

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- 6.2 The Committee shall review the capital and other applications submitted to it by management in terms of the Company's Limits of Authority for recommendation to the Board, if deemed appropriate;
- 6.3 The Chairman of the Committee shall report on the activities of the Committee during the year to the shareholders.

## **7. Rights / Obligations**

- 7.1. Require from any Director, Prescribed Officer or employee of the Company any information or explanation necessary for the performance of its functions.
- 7.2. Attend any general shareholders meeting.
- 7.3. Receive all notices of and other communication relating to any general shareholders meeting.
- 7.4. Be heard at any general shareholders meeting or any part of the meeting that concerns the committee's functions.
- 7.5. The Chairman shall attend the annual general meeting of the company to respond to any shareholder or other stakeholder queries relating to the committee's activities.

## **8. Meeting procedures**

### **8.1 Frequency**

The Committee shall meet as and when required on recommendation of the group Chief Executive Officer in order to fulfil its mandate as set out in clause 6 above. Further meetings may be called by any committee or board member and shall be governed by the provisions of the Company's MOI relating to meeting procedures.

### **8.2 Quorum**

8.2.1 A quorum for a meeting of the Committee shall be three members present, of whom one shall be a non-executive director, and no business shall be transacted at a meeting of the Committee unless the requisite quorum is present

8.2.2 A resolution pursuant to achieving the objectives contained herein signed by a simple majority of the members shall be as effective for all purposes as if it had been passed at a meeting of the Committee duly convened, held and constituted.

## **9. General**

The Committee shall on an annual basis:

- 9.1 Review its performance in the form of an evaluation by the Chairman of the Committee, who will then be evaluated by the Board; and

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- 9.2 Review its Terms of Reference to ensure optimal effectiveness and to recommend any changes it considers necessary to the Board for approval.
- 9.3 Review and approve its Annual Work Plan.