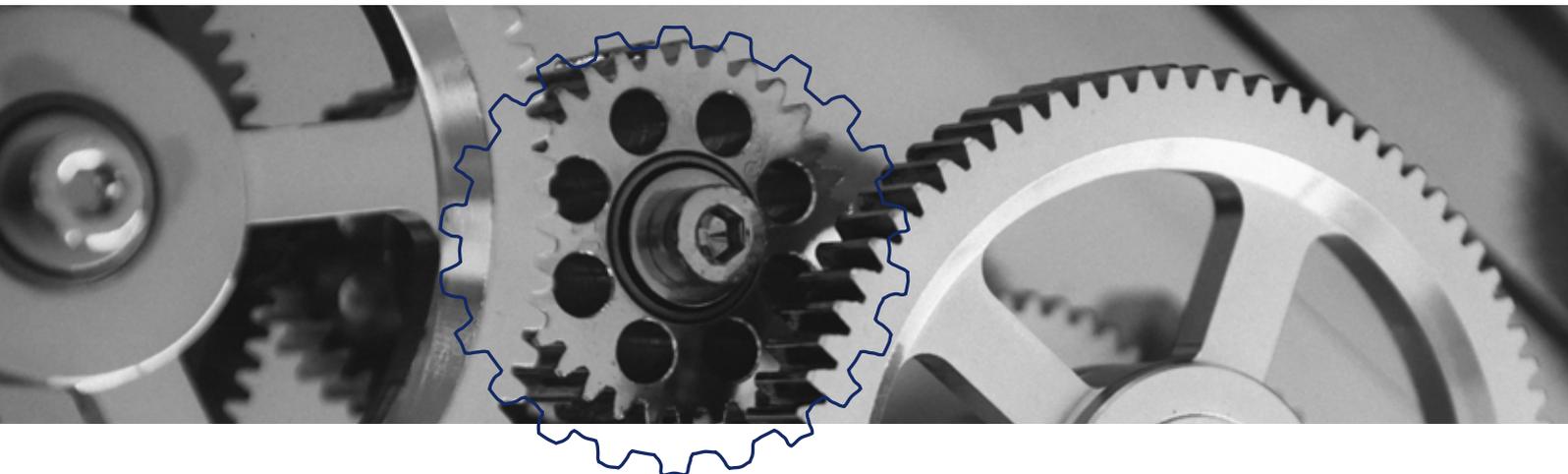


GROUP POLICY

LEGISLATIVE COMPLIANCE



1. Introduction

Legislative compliance is an absolute imperative for a listed, global entity such as Grindrod. Not only is it mandatory under the Companies Act 71 of 2008 (“Companies Act”) but it is also critical to good corporate governance. Legislative compliance underpins two of Grindrod’s core values in conducting its business, namely Integrity and Accountability.

To effectively manage the Group’s strategy in ensuring compliance with the ever increasing legislative universe, the Board of Directors of Grindrod (“the Board”) has established an independent regulatory compliance function. This document is intended to define the objectives, organisational structure, authority and responsibilities of the Compliance function.

2. Purpose of Establishing a Compliance Function

The primary function is to ensure that Grindrod has an effective strategy to avoid the dire consequences of non-compliance such as reputational damage and financial loss. The establishment of an independent and objective compliance function, gives effect to the legislative requirements under the Companies Act as well as the principles on Legislative Compliance as contained in the King III Code of Corporate Practises and Conduct (“King III Code”). Jointly, the Companies Act and the King III Code require the Board to have a working knowledge of all applicable laws and to ensure that the company complies with all applicable laws. In the long term, the objective is to strengthen a culture of compliance at all levels within the Group.

3. Organisational Structure and Responsibilities

- 3.1 According to the King III Code, it is the duty of the Board to manage the implementation of an effective compliance framework. The Board has delegated this responsibility to the Company Secretary who, in turn, has established the Compliance function, with the approval of the Board.
- 3.2 The Company Secretary is responsible for the oversight and implementation of the Compliance Function.
- 3.3 The Company Secretary is authorised to appoint a Compliance Officer (“CO”) whose responsibility it shall be to:
 - 3.3.1 develop and implement a compliance strategy for the Group;
 - 3.3.2 identify, report on and suggest interventions to manage compliance risks on an ongoing basis;
 - 3.3.3 monitor, assist, advise and train management and employees on compliance requirements; and
 - 3.3.4 keep the board updated on legislative amendments and developments.

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- 3.4 An effective compliance function requires the Compliance function to operate independently. The CO shall report functionally and administratively to the Company Secretary. To ensure appropriate escalation of noncompliance issues, the CO shall have unrestricted access to the Board through the Social and Ethics Committee.
- 3.5 The CO is authorised to initiate and investigate potential compliance breaches. To this end, the CO shall have unlimited and unrestricted access to management, employees, activities, physical locations and to all information necessary to fully discharge his/her obligations.

4. Compliance Procedures and Oversight

It is the responsibility of each individual employee within the Group to comply with applicable legislation. The Board of each business unit within the Group has to ensure legislative compliance within its respective unit. The CO's role shall be to advise and support the business units to enable an acceptable level of compliance to be achieved and maintained. Employees are expected to understand that non-compliance could result in severe reputational risk to the Group as well as financial loss in the form of excessive fines and penalties and as such, disciplinary action may result in the event of non-compliance.

This policy shall be reviewed annually by the Social and Ethics committee to ensure its continued application and relevance.