

<b>Revision No:</b> 06 <b>Issue Date:</b> November 2014 <b>Last Review Date:</b> August 2022	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Nomination and Governance Committee	<b>Approval:</b> Grindrod Board	Page 1 of 7
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(Registration Number: 1966/009846/06)

## **NOMINATION AND GOVERNANCE COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. Definitions**

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

- 1.1       **“Board”** means the board of directors of the Company;
  
- 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       **“Chair”** means the Chair of the Nomination Committee appointed by the Board;
  
- 1.4       **“Committee”** means the Nomination and Governance 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;

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- 1.8 “**Executive members**” means members of the Executive Committee not appointed to the Board;
- 1.9 “**JSE Listings Requirements**” means the requirements issued by the JSE Limited regulating all listed entities, as amended from time to time;
- 1.10 “**King IV**” means the King Report on Governance for South Africa 2016;
- 1.11 “**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; and
- 1.12 “**MOI**” means Memorandum of Incorporation of the Company.

## 2. Introduction

- 2.1. The Nomination and Governance Committee is constituted as a standing committee of the Board, in terms of section 72 of the Companies Act and section 3.84(d) of the JSE Listings Requirements. It has an independent and monitoring role, advisory in nature and a maker of recommendations relating to the nominations of directors to the Board for consideration and final approval.
- 2.2 Principle 8 of King IV states that the board should ensure that the delegation of duties and responsibilities to its various board committees promotes independent judgement and assists with the balance of power as well as the effective discharge of its duties. Practice 15 of Principle 7 states that the process for nomination, election and ultimately, the appointment of members to the board should be formal and transparent.
- 2.3 These terms of reference are subject to the provisions of the Companies Act, the Company’s Mol, Board Charter, King IV and any other applicable law or regulatory provision.

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2.4 The Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other senior management members.

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

3.1 Members are appointed by the Board from amongst the Directors of the Company from time to time and shall consist of not less than three (3) non-executive members, the majority of which should be independent. 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.

3.2 The Board shall appoint the Chair of the Committee who shall be a non-executive director.

3.3 The Chair of the Board shall not be eligible for appointment as Chair of this Committee but shall be a member of the Committee.

3.4 If at any meeting of the Committee the Chair 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; and if such person is not a director of the Company and who does not comply with the minimum qualification requirements as may be prescribed by the Minister from time to time.

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## 5. **Minutes of the meeting**

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

## 6. **Tenure of the committee**

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

## 7. **Mandate and responsibilities**

The Committee has the following responsibilities:

- 7.1 *Nomination and appointment*
  - 7.1.1 Ensure the establishment of and monitor a formal process for the nomination, election and appointment of directors.
  - 7.1.2 Monitor that suitable members for appointment to the Board are identified by conducting reference and background checks of candidates prior to nomination.
  - 7.1.3 Present suitable candidates to the Board, for election by shareholders to the Audit committee.
  - 7.1.4 Present suitable candidates to the board for appointment to the Audit Committee in the event of a vacancy arising within 40 business days after the vacancy arises.
  - 7.1.5 Present suitable candidates to the Board for appointment to any board sub-committee.

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## 7.2 Training and Awareness

- 7.2.1 Monitor the implementation of an induction programme for new non-executive directors.
- 7.2.2 Monitor the development of inexperienced directors through a mentorship programme.
- 7.2.3 Monitor the development and implementation of continuing professional development programmes for Directors.
- 7.2.4 Monitor that Directors receive regular briefings on changes in risks, laws, corporate governance developments and the environment in which the Company operates.

## 7.3 Review/Recommendations/Director Evaluation

- 7.3.1 Consider the performance of Directors and make recommendations to the Board to take steps to remove Directors who do not make an appropriate contribution.
- 7.3.2 Recommend to the Board a replacement for the Chief Executive Officer, when necessary.
- 7.3.3 Monitor formal succession plans for the Board, Chief Executive Officer, Financial Director and Executive members.
- 7.3.4 Make recommendations to the Board for the continuation in service (or not) of Directors retiring by rotation and for Executives on fixed term contracts.
- 7.3.5 Perform an evaluation of the independence of directors, especially those with a tenure of more than nine years.
- 7.3.6 Consider the annual performance evaluations done by all board committees, the Chair of the board and all the members of the board.
- 7.3.7 Review the composition of the board and board committees.

## 7.4 Insurance

- 7.4.1 The Committee shall monitor Director and Officer insurance to ensure that cover is maintained subject to the reasonable costs thereof.

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## 8. Attendance at annual general meetings

The Chair of the Committee or in his/her absence any one other member of the Committee shall be in attendance at the annual general meeting of the Company and shall respond to any questions relating to the work of the Committee.

## 9. Meeting procedures

### 9.1 Frequency

9.1.1 The Committee shall meet at least twice a year. Further meetings may be called by the Chair of the Committee, the Group Chief Executive Officer or other members of the Committee or by the Board, and shall be governed by the provisions of the Company's Mol relating to meeting procedures.

### 9.2 Quorum

9.2.1 A quorum for a meeting of the Committee shall be two members present personally and no business shall be transacted at a meeting of the Committee unless the requisite quorum is present.

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

9.2.3 The Group Chief Executive Officer, and relevant senior management where relevant, shall be invited to attend the meetings. No attendees shall have a vote at the meetings of the committee. Any invited attendees may be requested to recuse themselves from certain discussions.

## 10. General

10.1 The Committee shall on an annual basis:

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- 10.1.1 Review its performance in the form of an evaluation by the Chair of the Committee, and members will in turn evaluate the Chair.
- 10.1.2 Review its Terms of Reference to ensure optimal effectiveness and to recommend any changes it considers necessary to the Board for approval.
- 10.1.3 Review and approve its Annual Work Plan.
  
- 10.2 Any Non-Executive Director may, provided there is no conflict of interest and with the consent of the Chair of the Committee have access to the Committees records.
- 10.3 No Committee attendee shall participate in any decision regarding their own remuneration.

**11. Repeal of previous Terms of Reference**

These Terms of Reference shall revoke and supersede the current Terms of Reference in its totality from the date of its approval of the Committee.